

City of Amsterdam, NY

East End Brownfield Opportunity Area

Market Analysis

Prepared by C&S Companies

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Executive Summary

The purpose of this analysis is to evaluate market and socioeconomic conditions as part of the City of Amsterdam East End Brownfield Opportunity Area (BOA) Step 2 BOA Nomination Study process, in order to identify possible market-supported opportunities for the reuse and/or redevelopment of properties within the East End BOA study area. This analysis will help ensure that recommendations for future uses and actions to occur within the study area reflect economic conditions and are grounded in the relevant market context.

The analysis draws upon a number of data sources, including:

- Previous studies and reports with relevance to the study area, prepared by local and regional-level agencies.
- In-person interviews with individuals representing local government, regional and state-level economic development organizations, real estate and other private industry.
- Publicly available and subscription-based private third-party demographic and real estate data.
- Business journals, industry associations, commercial brokerage reports, other publications and agencies.

The East End BOA study area generally covers properties north and south of East Main Street between the Mohawk River and Forbes Street, with a western boundary at Church Street and an eastern boundary at the Amsterdam city limit. For purposes of this market analysis, a broader real estate market area was defined to encompass the City of Amsterdam and relevant locations surrounding the city (Figure A).

The market analysis focuses on four real estate development categories in the East End BOA study area, and the location of existing properties from these categories is shown in Figure A:

- Office
- Industrial and Flex
- Retail
- Multi-family Residential

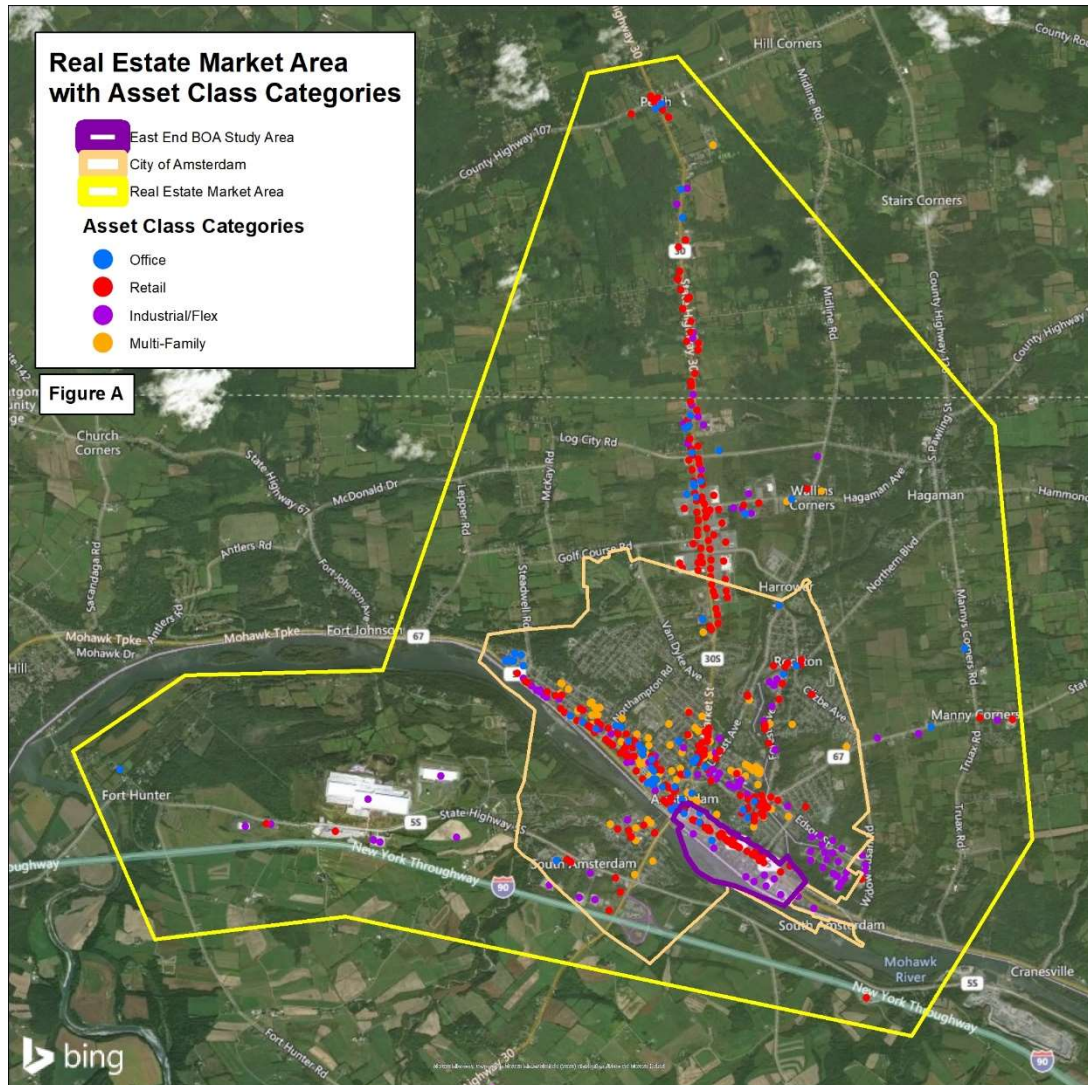


Figure A

Outcomes of the market analysis are summarized for each real estate development category as follows.

Office Development

The Amsterdam office market is not considered a point of strength, and has experienced very little growth over the course of the current economic cycle running through early 2020.

With an aging inventory and apparent low vacancy rates in the market area, there may be limited potential for small to mid-scale (5,000-20,000 square feet) updated or modern office space in the Amsterdam market. Possible occupants could include medical or other professional practices, startups, co-working office spaces, and new market entrants.

The current East End building stock may offer some opportunities for investment in the rehabilitation of existing industrial or residential structures for office use. Opportunities for adaptive reuse as office space are likely limited to buildings with minimal structural, environmental or other challenges, as well as unique or exceptional features that would warrant investment. New office development in the East End may require clearing of existing structures and possible lot consolidation.

Overall, the Amsterdam office market is very limited and is not anticipated to grow significantly in the foreseeable future. While opportunities may present for small to mid-scale office uses on an individual basis, properties in the East End BOA study area are generally not well-positioned to attract this type of development relative to competitive locations. Noting that the outlook is subject to change as conditions evolve in the future, office development is not recommended as a focus of East End revitalization efforts in the near term.

Industrial and Flex Development

Industrial development has driven the history of the Amsterdam market and factors heavily into its real estate inventory, including some large-scale historic uses located in the East End BOA study area. The broader Amsterdam market area has experienced significant new industrial development in recent years.

Large-scale development of warehousing & distribution space remains active particularly in the Florida Business Park and extension near the Thruway interchange area west and south of the City of Amsterdam. This development interest is driven primarily by the market area's favorable location with access to highways and major northeastern markets.

Due to access and other limitations, the East End BOA study area is not conducive to the development of large-scale distribution operations that have proliferated elsewhere in the region such as at the Florida Business Park. However, smaller warehousing & distribution operations in the < 50,000 square-foot class may be suited to locate on 1+ acre, development-ready East End properties. Manufacturing (durable goods, food processing, advanced manufacturing generally) is also a potentially supportable use. Sites in the eastern portion of the East End BOA study area are most conducive to industrial development formats.

While old, underutilized former manufacturing structures in the East End provide an abundance of existing industrial floor space, the features and condition of these former manufacturing structures vary widely and reuse potential must be evaluated on a case-by-case basis. Early to mid-19th Century manufacturing facilities lack many features sought by modern industrial (warehousing & distribution, manufacturing) operators, and large-scale adaptive reuse by industry is improbable. The adaptive reuse of existing industrial structures is more likely to appeal to a limited pool of users such as smaller-scale operations occupying space under a multi-tenant leasing arrangement.

Undeveloped industrial land provides design flexibility and is preferred for new construction. Stakeholders suggest that demand exists for industrial parcels in the 6-8 acre class, preferably located in a park setting. To the degree possible, consolidation of adjacent East End properties could be considered to provide an industrial/business park setting conducive to new manufacturing, warehousing, or flex development.

Competitively speaking, East End BOA properties are not currently as well-positioned as IDA-affiliated or similar industrial parks for development because of advantages related to accessibility and site readiness. However, under the right circumstances the East End may be positioned to attract small to mid-scale manufacturing or warehousing & distribution development. Site preparation and readiness are critical for marketing and attracting new industrial development to a given site.

Retail Development

Over the previous twenty years or more, retail development in the Amsterdam market area has been concentrated in shopping center formats along high-volume roadways beyond the City of Amsterdam boundary. The most prominent retail cluster is located along the NYS Route 30 corridor, extending north from the City of Amsterdam boundary. Development in this area includes community-scale shopping centers with major anchor tenants, smaller neighborhood-scale and strip shopping centers, and standalone retailers.

Within the East End BOA study area, retail development is somewhat limited with most retail properties located in close proximity to the East Main Street corridor. While retail in the East End includes convenience store, small general merchandise and hardware establishments among others, the study area and surrounding neighborhoods notably lack a supermarket offering fresh foods, and generally possess a limited variety of retail establishments to meet the everyday needs of neighborhood residents.

The retail market analysis considered 5- and 10-minute drive-time trade areas originating from a central location in the East End BOA study area, and included a retail gap analysis to help identify specific retail categories that may hold potential to introduce new retail services to the study area.

Outcomes of the analysis illustrate a market dynamic in which grocery, general merchandise and other key retail services are not widely available to East End and other city residents within or near the neighborhoods in which they live. While these retail services are abundant in the broader trade area, residents must travel to gain access to many everyday goods and services.

Market conditions may be appropriate for discount-oriented retailers in the East End and vicinity, scaled to serve the residents of surrounding neighborhoods. This could include grocery, general merchandise, or small strip-style retail centers in East End locations, depending on an individual developer or operator's criteria. The addition of such retail would help address the needs of neighborhood residents, particularly households with low income levels or lacking access to transportation. Typical site requirements are approximately in the 1-1.5 acre range to support retail development on a scale of 10,000-15,000 square feet, and East Main Street properties offer the best potential as retail sites due to their centrality and accessibility.

Multi-Family Residential Development

In the Amsterdam market, multi-family residential properties include four-or-more-unit residential conversions, low-rise and mid-rise multi-story apartment buildings. With a few exceptions, most multi-family housing is located within the City of Amsterdam and concentrated in the Downtown area and surrounding neighborhoods. Much of the existing housing stock in the Amsterdam market is aging, with a significant share of properties in deteriorating condition.

A common theme arising during stakeholder interviews was the need for updated housing in the East End and elsewhere in the City of Amsterdam, including a variety of multi-family housing formats. Senior, affordable, and market-rate housing were all identified as potential opportunities in the Amsterdam market. Stakeholders also noted an interest by residents in mixed-use development with walkable access to amenities often associated with that environment (parks, food & drink, etc.).

Two multi-family apartment projects have been proposed recently in the Amsterdam market. A 60-unit, three-story housing complex will be developed at 251 East Main Street in the heart of the East End BOA study area. The second residential project is a 120-unit mixed-income waterfront development on the south side of the Mohawk River, however the status of this project is uncertain.

The market analysis examined a number of housing statistics and demographic variables to assess housing demand in the East End and broader market area. Generally speaking, the number of housing units and vacancy rates appear sufficient to support the market area population given limited rates of population and employment growth.

However, housing demand in this market appears to be driven primarily by a need for improved housing quality and specialized needs (i.e. senior or affordable) rather than an overall shortage of housing supply. Affordable and senior housing needs are present in the community, as well as market-rate housing in mixed-use or other formats. Within the East End BOA study area, the Main Street corridor and immediately surrounding properties likely present the best setting for multi-family residential development.

Summary

The East End BOA market analysis examined office, industrial/flex, retail, and multi-family residential real estate development formats in order to identify possible market-supported opportunities for the reuse and/or redevelopment of properties within the BOA study area.

Overall rates of growth and development demand in the Amsterdam are low to moderate, and the region holds an abundance of competitive development sites. However, opportunities may exist for small to mid-scale development within the BOA study area – this would include multi-family residential, retail, industrial, and to a lesser degree office development.

Some individual properties in the East End BOA study area may hold adaptive reuse potential depending on a variety of financial, environmental and other factors as well as operator needs. Generally speaking, undeveloped or development-ready sites offer greater flexibility and are most conducive to new construction. The consolidation of multiple adjacent properties to create large sites for single or multiple uses may be beneficial in enhancing the area's development potential.

In a limited market, East End development sites will benefit from the environmental investigations, cohesive planning, and enhanced visibility provided by the BOA program. Sites and opportunities should be considered on a case-by-case basis, and sustained collaboration among local governments and economic development agencies is key to advancing redevelopment pursuits in the East End BOA study area.

1. Introduction

This economic and market analysis has been conducted for the City of Amsterdam East End Brownfield Opportunity Area (BOA) as part of the Step 2 BOA Nomination Study process supported by the New York State Department of State (NYSDOS).

The purpose of this analysis is to evaluate market and socioeconomic conditions in order to identify possible market-supported opportunities for the reuse and/or redevelopment of properties within the East End BOA study area. The analysis will help ensure that recommendations for future uses and actions to occur within the study area reflect economic conditions and are grounded in the relevant market context.

The East End BOA study area generally covers properties north and south of East Main Street between the Mohawk River and Forbes Street, with a western boundary at Church Street and an eastern boundary at the Amsterdam city limit.



The analysis has drawn upon a number of data sources, including:

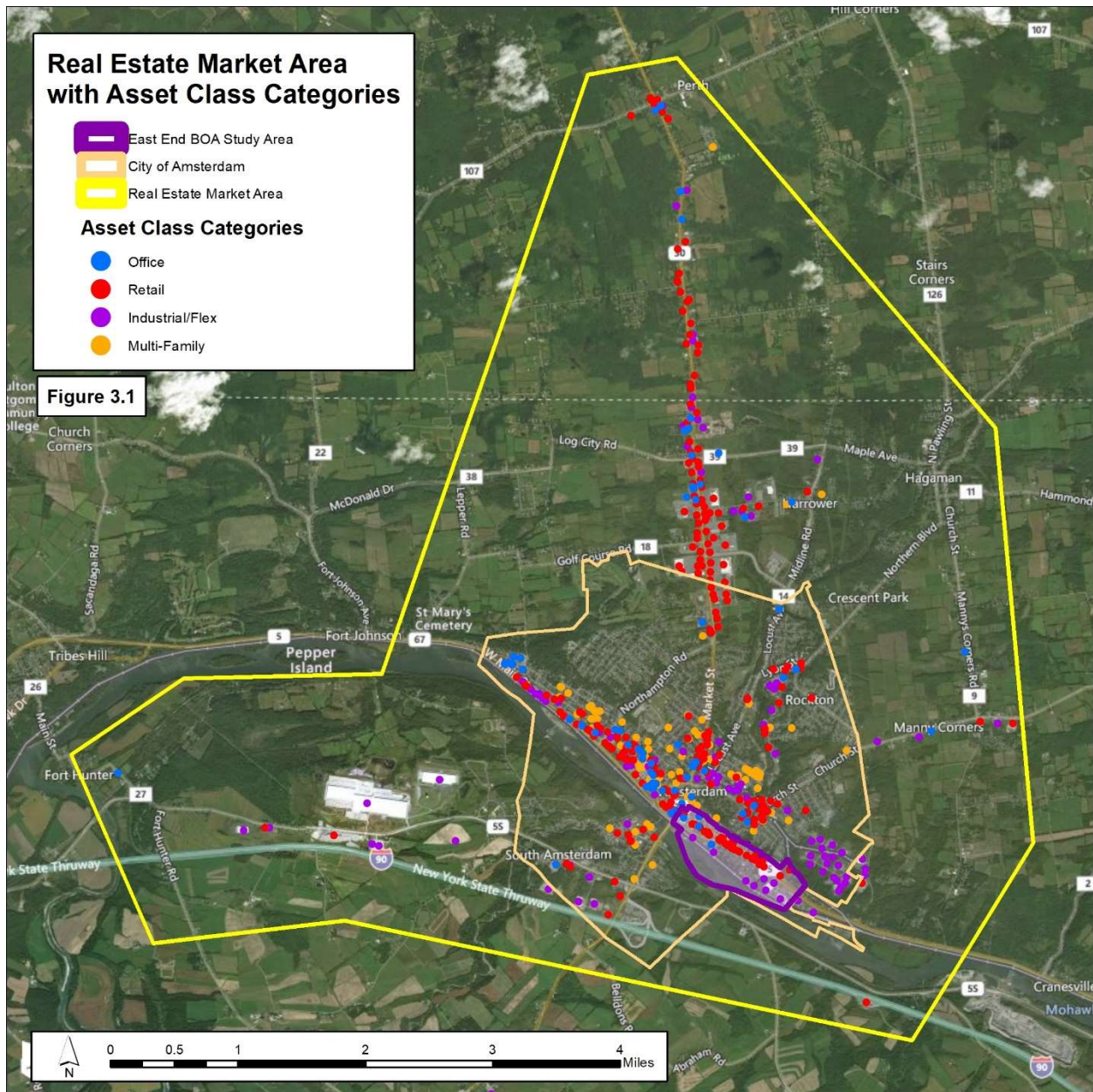
- Previous studies and reports with relevance to the study area, prepared by local and regional-level agencies¹.
- In-person interviews with individuals representing local government, regional and state-level economic development organizations, real estate and other private industry.
- Publicly available and subscription-based private third-party demographic and real estate data.
- Business journals, industry associations, commercial brokerage reports, other publications and agencies.

A series of stakeholder interviews was conducted in November 2019 to gain insights and perspectives on market conditions and potential opportunities in the East End BOA study area, City of Amsterdam and broader region. Key takeaways from these conversations are provided in Section 2.

The market analysis was conducted to evaluate market conditions in the East End BOA study area for four real estate development categories:

- Office
- Industrial and Flex
- Retail
- Multi-family Residential

¹ These resources include, but are not limited to: City of Amsterdam Northern/Eastern Neighborhoods Step 1 Pre-Nomination Report, City of Amsterdam Downtown Revitalization Initiative Strategic Investment Plan, and Mohawk Valley REDC Strategic Plan/Progress Reports.



Section 3 provides a description and summary findings for the analysis of each real estate development category.

Section 4 highlights two relevant case studies illustrating successful redevelopment projects that have occurred recently in locations sharing a similar market context to the East End BOA and broader Amsterdam market area.

2. Summary of Stakeholder Interviews

A series of stakeholder interviews was conducted in November-December 2019 to gain knowledge and perspective regarding market conditions and potential market-based redevelopment opportunities in the East End BOA study area.

These conversations included meetings with representatives from the following entities:

- City of Amsterdam
- Montgomery County Business Development Center
- Fulton-Montgomery Chamber of Commerce
- Empire State Development
- Mohawk Valley Regional Economic Development Council
- Berkshire Hathaway Commercial Division
- Sticker Mule Inc.

Interview discussions covered a wide range of topics including the stakeholders' initiatives and involvement in the Amsterdam community; regional market conditions; opportunities and challenges to East End revitalization; and other information relevant to the East End BOA Nomination Study.

A number of key takeaways emerged from the stakeholder interview process:

- Strong partnerships among local, county and state-level agencies, as well as the economic development community, have contributed to the region's industry-related success stories.
- As a recipient of Downtown Revitalization Initiative (DRI) funding to accompany other recent and ongoing efforts, Amsterdam is currently a focal point for public programming and has a unique opportunity to make progress in addressing some key challenges.
- Significant overlap exists between the DRI and western portion of the East End BOA study area, providing opportunities to coordinate and leverage resources between these programs.
- Warehousing & distribution, and to a lesser degree manufacturing (including food processing), have experienced recent growth in the region. Tech-oriented and other knowledge based industry growth has been more limited.
- Some existing business parks in the eastern Mohawk Valley and parts of the Capital Region are nearing full buildout. This may lead to opportunities to attract development in new locations; accessibility and a business/industrial park setting are priorities.
- Shovel-ready status (or site readiness more generally) is critical for development sites, especially in smaller markets like Amsterdam.
- Existing structures are important to the city's character. Reuse is generally preferred if possible, although it is recognized that structural, environmental, financial or other challenges exist and properties should be reviewed on a case-by-case basis.
- The City of Amsterdam lacks some economic development anchors present in many peer communities – such as presence of a university or community college, state office building, hospital, business incubator, etc.
- Skilled workforce availability is a limitation in the Amsterdam/Montgomery County market.
- Some distribution and manufacturing operators struggle to maintain adequate levels of staffing.

- Child care obligations and a lack of access to transportation options are common barriers to participation in the workforce.
- The East End and Amsterdam generally lack a variety of housing options; stakeholders agreed that there is unmet demand for multifamily apartments at market rate and other price points, potentially as part of mixed-use development.
- There are no supermarkets/grocery stores located in close proximity to the East End.
- Stakeholders identified a food hub and/or food processing operations as holding potential to leverage the region's agricultural strengths.
- Employment centers, retail, and other services are not accessible to many East End residents due to a lack of transportation options.
- Mixed-use and other commercial development would be appropriate along the Main Street corridor, but should promote walkability and contribute to streetscape quality. There is potential to "extend" downtown to the east with improved connections and consistent development.
- The Lower Mills area and Riverfront Center were identified as sites with redevelopment potential, although these and other properties in the East End present challenges.

Information gained through the stakeholder interview process provides key local insights and perspectives that are essential to the market analysis process. This information was considered along with market and socioeconomic data to conduct a market analysis for the East End BOA study area.

3. Market Analysis

The market analysis² was conducted to evaluate relevant market and socioeconomic conditions in the East End BOA study area and broader Amsterdam market in order to identify possible market-supported opportunities for the reuse and/or redevelopment of properties within the study area.

As described in Section 3.1, the analysis focuses on geographies representing the East End BOA study area and a broader Amsterdam market area.

Market profiles are provided for the four real estate development categories considered for the market analysis:

- Office
- Industrial and Flex
- Retail
- Multi-family Residential

Relevant information obtained through interviews with key stakeholders and publicly available and subscription-based third-party data providers was used to evaluate each asset class. This section describes the existing market conditions observed for each development category, results of analyses along with notable observations and takeaways, and a conclusion statement summarizing key findings relative to each category.

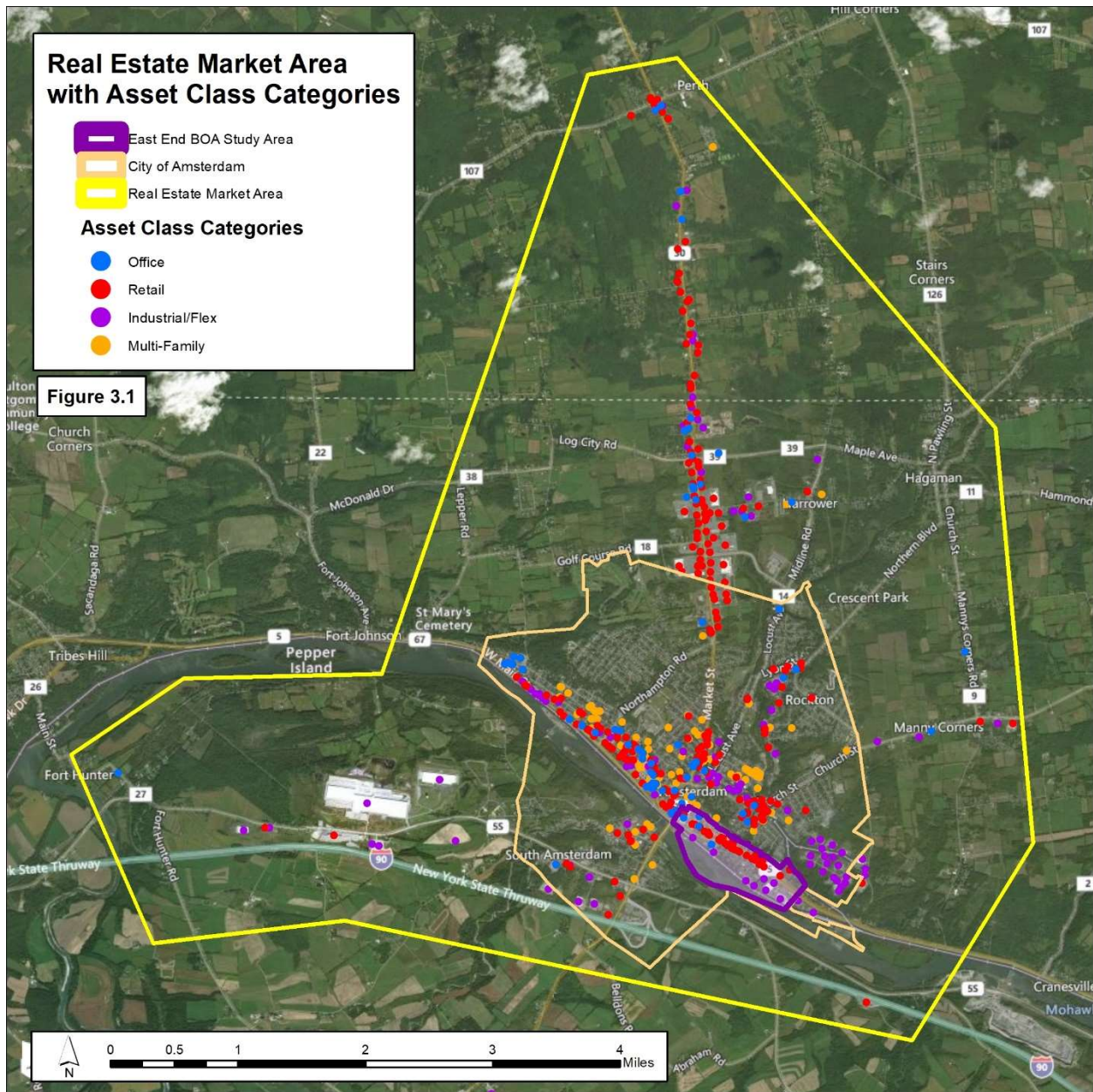
3.1 Market Overview

The Amsterdam real estate market area used for this analysis is pictured below in Figure 3.1. This market area generally aligns with boundaries established by third-party data providers³, and encompasses the City of Amsterdam including the East End BOA study area, as well as surrounding pockets of non-residential development. Based on observed development patterns and activity, this market area provides an appropriate context for an assessment of market conditions affecting the East End BOA.

Figure 3.1 shows existing property locations for the four development categories considered in the market analysis: office, industrial/flex, retail, and multi-family residential. Each of these categories is examined in detail in Section 3.2.

² Market analysis based on information from CoStar Group, ESRI, and C&S Companies.

³ CoStar, Inc. Amsterdam, NY Submarket 2019.



North of the Mohawk River, non-residential development is concentrated along primary road corridors within and north of the City of Amsterdam. A variety of uses are interspersed along Main Street and parallel east-west corridors in the City of Amsterdam, with clusters of development radiating outward to the north from the city's core. Much of the Route 30 corridor north of the city is lined by retail and other uses including commercial and industrial, with concentrated retail development north of the city boundary.

Large-scale warehousing and distribution uses are located along Route 55 south of the Mohawk River in the Florida Business Park and vicinity of the NYS Thruway interchange.

The East End BOA study area is located east of the city's more densely developed downtown area. Retail and office uses are located along the East Main Street corridor in the western and central portions of

the BOA study area, while several industrial uses are located in the eastern portion of the BOA study area.

3.2 Real Estate Market Profiles

The market analysis evaluates four real estate development categories:

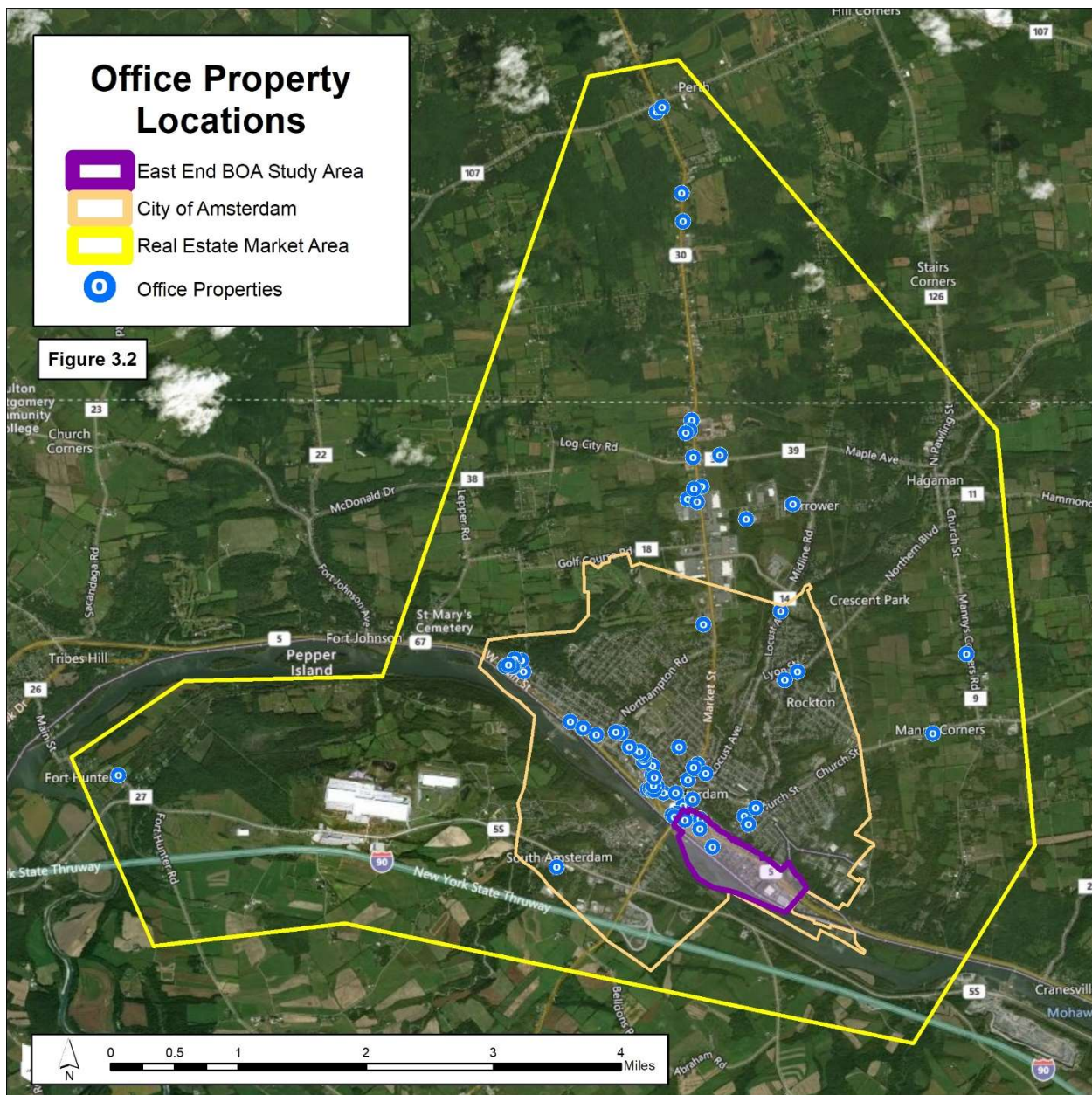
- Office
- Industrial and Flex
- Retail
- Multi-family Residential

For each category, this section provides a market profile describing existing market conditions, results of analyses, notable observations and takeaways, and a conclusion statement summarizing key findings.

3.2.1 Office Development

The primary use of an office building is to house employees of companies that perform functions such as business administration or support, educational, medical or other professional services.

In the Amsterdam market, office properties cover a range of formats including multi-story downtown mixed-use style buildings, single-story suburban office buildings, and repurposed former residential structures. As shown in Figure 3.2, office properties are concentrated within the city and some additional office properties are located along primary corridors outside the city boundary.



Existing Inventory and Conditions

Office Development Market Inventory – Existing Conditions		Table 3.1
	East End BOA	Amsterdam Market Area
# Properties	4	71
Total Square Footage	300,000	1.3 million
Average Square Footage	13,000 sq ft*	18,000 sq ft
Median Building Age	55 years	59 years
Typical Parcel Size	0.5-1.3 acres*	0.2-1.0 acres
*Excludes 257,000 square-foot Riverfront Center		

Source: CoStar Inc.; C&S Companies

As reported in third-party real estate data, there are 71 office buildings in the Amsterdam market totaling 1.3 million square feet of floor space. The East End BOA includes only four office properties, although their combined square footage represents more than 20 percent of the entire market area inventory by square footage. This is because the 257,000 square-foot Riverfront Center is classified as an office property, reflecting its current mixed-use status with a tenant mix that includes both office-based and retail operations. Data services indicate that the Riverfront Center is the largest office structure in the Amsterdam market area. Excluding the Riverfront Center, the average East End office building has 13,000 square feet of floor space with a typical parcel size of 0.5-1.3 acres.

The average office building in the overall Amsterdam market is approximately 18,000 square feet, and parcel sizes are relatively small with most being less than one acre. The median reported building age of nearly sixty years reflects the market's aging building stock.

Office Development		Table 3.2
Key Metrics – Amsterdam Market Area		
Average annual deliveries	0 sq ft	
Average annual absorption	-2,000 sq ft	
Current Vacancy	1.8%	
Vacancy Trend	▼ Decreasing	

Source: CoStar Inc.; C&S Companies

According to third-party real estate data, there have been no new deliveries of office space in the Amsterdam market over the recording period from 2008 through the present. Average annual absorption (defined as the combined average annual change in new deliveries and leased space) is slightly negative over this timeframe – on average, the Amsterdam market has lost 2,000 square feet of leased office space each year. However, reported vacancy rates have declined over the past few years and currently stand at a very low level of less than 2 percent. While noting that vacancy rates may be affected by reporting irregularities particularly in small markets such as Amsterdam, declining office vacancy may suggest that market demand for office space is currently pushing against supply limits as underutilized or functionally obsolete office space is removed from the market.

Observations & Takeaways

- The Amsterdam office market is not strong and has experienced virtually no growth over the course of the current economic cycle.
- Regional growth in knowledge-driven industries that tend to occupy office space has been concentrated in the Capital Region and some limited Mohawk Valley locations, but has not expanded into the Amsterdam market at a significant scale. Based on stakeholder input, it seems unlikely that Amsterdam will experience an uptick in development demand from these industry sectors in the near future.
- Most recent office development in the Capital Region has occurred in business park settings rather than urban areas.
- With an aging inventory and apparent low vacancy rates, there may be a limited market for small to mid-scale (5,000-20,000 square feet) updated or modern office space in the Amsterdam market.
 - Possible tenants include medical and other professional practices, startups, co-working office spaces, and new market entrants.
 - Sizable office-based businesses entering the Amsterdam market are likely to build new space.
 - Business park setting is conducive to new office development.
- The current East End building stock may offer some opportunities for investment in the rehabilitation of existing industrial or residential structures for office use.
 - Potential tenants would include small to mid-scale operators as noted above.
 - Opportunities for adaptive reuse as office space are likely limited to buildings with unique or exceptional features that would warrant investment.
 - Building scale, structural, environmental, financial, and other challenges may exist for adaptive reuse.
- Based on the East End's built-out physical setting and condition of existing structures, new office development may require clearing of existing structures and possible lot consolidation.
 - Potential locations would include individual properties along the East Main Street corridor especially in the western portion of the study area, or former manufacturing sites particularly if cleared and made available in a cohesive business park format.
- Competitively speaking, locations in the city's downtown core or north of the city are likely better positioned for office development and leasing than East End locations.

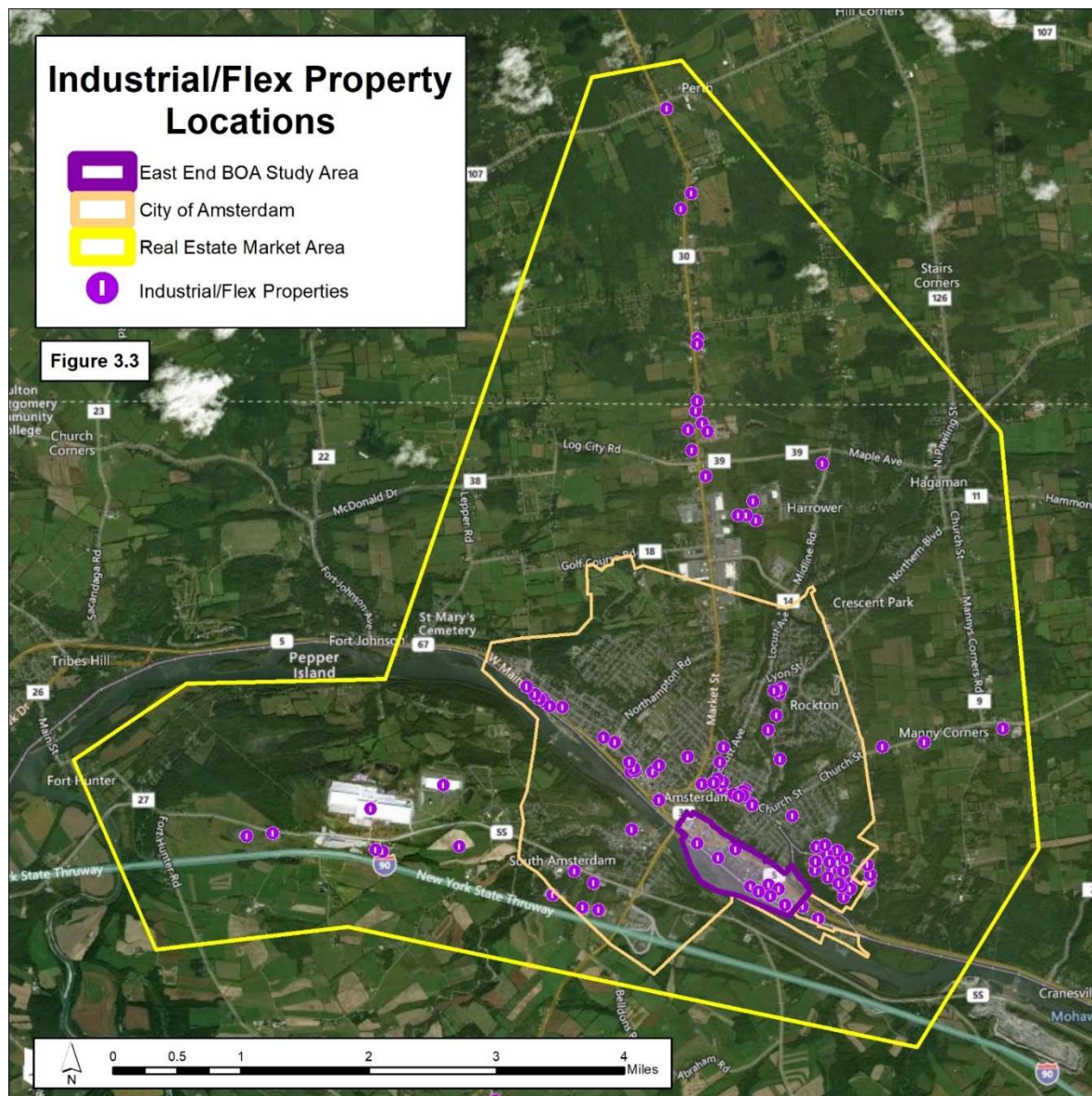
Conclusion – Office Development

The Amsterdam office market is very limited and is not anticipated to grow significantly in the foreseeable future. While opportunities may present for small to mid-scale office uses on a case-by-case basis, properties in the East End BOA study area are generally not well-positioned to attract this type of development relative to competitive locations. While noting that the outlook is subject to change as conditions evolve in the future, new office development should not be a focus of East End revitalization efforts in the near term.

3.2.2 Industrial/Flex Development

Industrial properties include a variety of use subcategories, such as manufacturing and warehousing & distribution. For purposes of this analysis, flex development – which typically includes a combination of industrial and office space – has been included as part of the industrial inventory for the Amsterdam market area.

Figure 3.3 shows the location of industrial/flex properties in the Amsterdam market area. Industrial properties include large multi-story former manufacturing plants in the urban core, small to mid-sized manufacturing or distribution facilities in the city and peripheral areas, and large-scale corporate warehousing & distribution facilities in the Florida Business Park and near the Thruway interchange.



Existing Inventory and Conditions

Industrial/Flex Development Market Inventory – Existing Conditions		Table 3.3
	East End BOA	Amsterdam Market Area
# Properties	9	102
Total Square Footage	830,000	6.7 million
Average Square Footage	80,000 sq ft	70,000 sq ft
Median Building Age	69 years	59 years
Typical Parcel Size	5-10 acres	2-10 acres

Source: CoStar Inc.; C&S Companies

Industrial development has driven the history of the Amsterdam market and factors heavily into its real estate inventory. There are 102 industrial properties in the Amsterdam market (80 industrial/22 flex), totaling 6.4 million square feet of floor space. While a number of properties are smaller than one acre – and a few are larger than 100 acres – most fall between two and 10 acres in size.

Major warehousing & distribution and other industrial operations including the Target and Dollar General distribution facilities, Beech-Nut headquarters, and Hill & Markes are located in the Florida Business Park and extension, south of the Mohawk River and just west of the City of Amsterdam.

According to real estate data and real property records, nine industrial properties are located within the East End BOA study area, including some of the area's prominent former manufacturing sites. These industrial properties total more than 800,000 square feet and are concentrated in the eastern portion of the study area, south of Main Street. Large-scale industrial properties in the East End BOA study area include the former Fownes Building now occupied by Sticker Mule, Lower Mills Complex, Westrock packaging plant, and AIDA-owned industrial building at 14 Park Drive. The industrial buildings in this area are quite old with a reported median age of 69 years, which is 10 years older than the reported median age of industrial buildings in the overall Amsterdam market area.

Table 3.4 summarizes key industrial/flex market metrics for the Amsterdam market area.

Industrial/Flex Development Key Market Metrics – Amsterdam Market Area		Table 3.4
Average annual deliveries	120,000 sq ft	
Average annual absorption	115,000 sq ft	
Current Vacancy	1.9%	
Vacancy Trend	▼ Decreasing	

Source: CoStar Inc.; C&S Companies

Deliveries over the 11-year timeframe of data availability include the 750,000 square-foot Dollar General facility, 580,000 square-foot Beech-Nut headquarters and the 140,000 square-foot Hill and Markes facility. These facilities are all located south of the Mohawk River in the Florida Business Park just west of Amsterdam near the NYS Thruway. Taken on average, this equates to about 120,000 square feet of industrial space delivered annually over this timeframe – which is approximately the average square footage of an industrial property in the Amsterdam market area. It should be noted that the 1.5 million square-foot Target distribution center was built in the Florida Business Park in 2002, and is not reflected in average annual values because its delivery predates the available real estate data.

Records indicate that there are three industrial properties currently proposed or under construction in the Amsterdam market area:

- A proposed 1 million square-foot warehouse & distribution facility with approvals in place, being actively marketed to large-scale operators – located in Florida Business Park area.
- Two smaller warehousing operations totaling 13,000 square feet, one in the Florida Business Park area and the other along NYS Route 30 north of the city.

The volume of industrial construction occurring in the Amsterdam market in recent years reflects the significant uptick in industrial development activity that has been experienced nationally. The market's favorable proximity to highway infrastructure and large northeastern markets is a primary factor driving the development of industrial space in the Amsterdam market.

The reported industrial vacancy in the Amsterdam market area is currently 1.9%, a historically low rate. Anecdotally, while much of the industrial inventory is not technically vacant, some large-scale properties may be significantly underutilized.

Observations & Takeaways

- Industrial development remains active in the Amsterdam market with ongoing large-scale warehousing & distribution construction, driven primarily by its favorable location with access to highways and major northeastern markets.
- Large-scale warehousing & distribution is clustered south of the Mohawk River in the Florida Business Park near the Thruway interchange area. While some room exists for further expansion in this area, it is approaching full buildout as currently configured.
- According to economic development stakeholders, land south of I-90 is likely to be promoted for future industrial/warehousing & distribution development in the near future.
- Although recent industrial development is characterized by large-scale warehousing & distribution facilities, proposed projects also include smaller operations less than 10,000 square feet.
- The Montgomery County/Mohawk Valley region possesses advantages for food processing operations associated with nearby agriculture, and this could present manufacturing opportunities.
- Workforce limitations present a challenge with regard to further expansion of warehousing & distribution industry in the market.
- Many of the market's old, urban multi-story manufacturing plants have been vacated by the original operators. While perspectives vary, there is broad recognition that these structures provide a link to the city's industrial heritage and their reuse would contribute positively to the community's continuity and character if possible.
 - The features and condition of these former manufacturing structures vary, and reuse potential must be evaluated on a case-by-case basis.
 - Structural, environmental, financial, and other challenges may exist for adaptive reuse.
 - Early to mid-19th Century manufacturing facilities lack many features (clearances, functional layout, accessibility, etc.) sought by modern industrial (warehousing & distribution, manufacturing) operators.

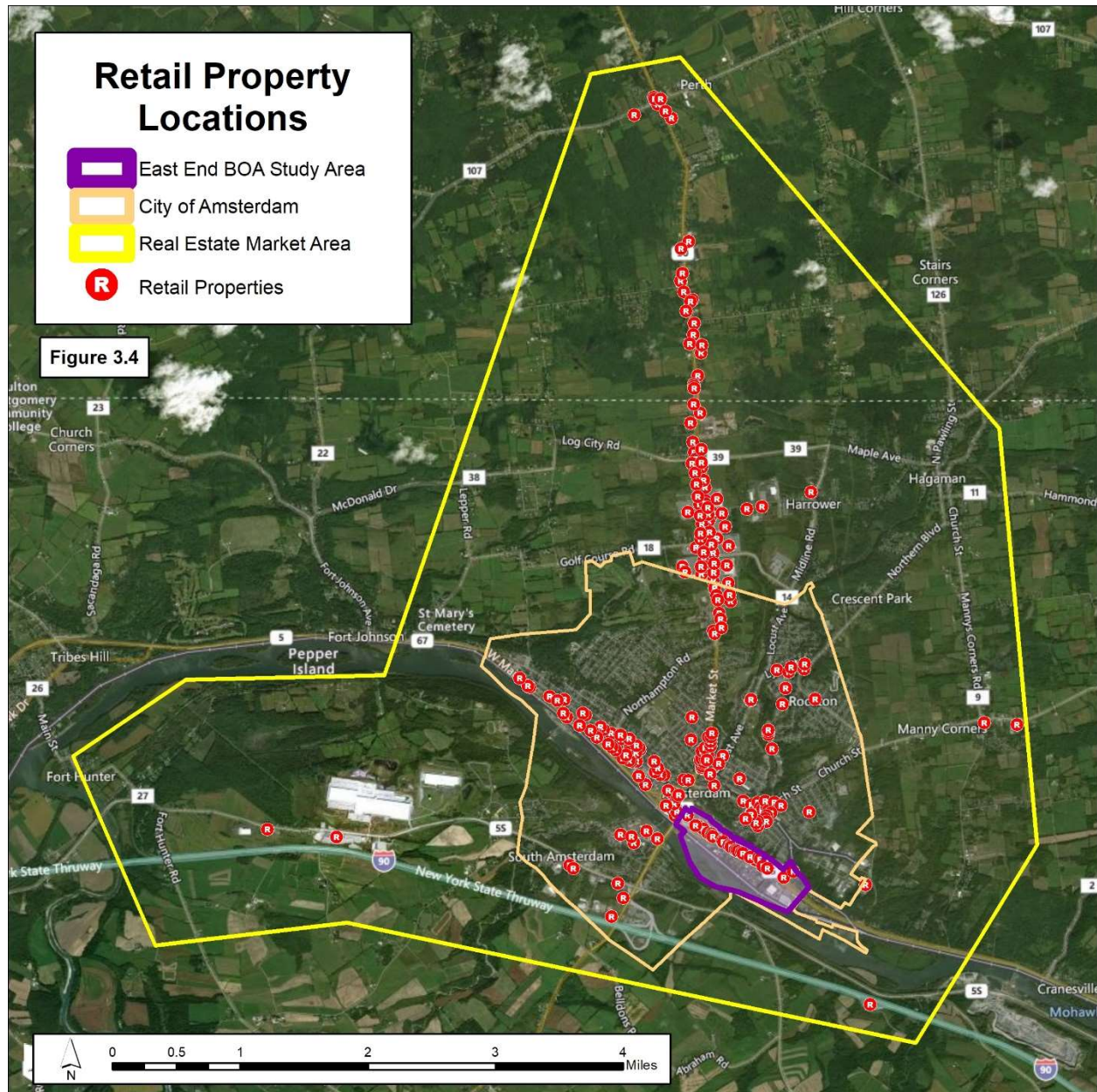
- Stakeholders suggest that demand exists for industrial parcels in the 6-8 acre class, preferably located in a park setting.
- Site preparation and readiness are critical for marketing and attracting new industrial development to a given site.
- East End industrial sites lack the prime accessibility and infrastructure of sites south of the Mohawk River along the Thruway, and are not favorable for large-scale distribution operations.
- Manufacturing (durable goods, food processing, advanced manufacturing generally) is a potentially supportable use of industrial sites in the eastern portion of the East End BOA study area – although recent demand for manufacturing space has been extremely limited in the Amsterdam market.
- The East End industrial inventory is generally aging and underutilized. Parcel sizes are appropriate for modern industrial uses, but existing structures and site conditions pose challenges to the introduction of new uses.
- Competitively speaking, properties such as IDA-affiliated industrial parks are currently better positioned than East End BOA properties for industrial development because of advantages related to accessibility and site readiness.

Conclusion – Industrial/Flex Development

The East End BOA study area is not conducive to the development of large-scale distribution operations that have proliferated elsewhere in the region such as at the Florida Business Park, although some properties in the study area may be suitable for small to -mid-scale warehousing or manufacturing operations. Market demand for these uses is limited; site readiness and promotion would be critical to enhance the competitive position of study area sites in efforts to attract industry. The adaptive reuse of existing structures would appeal to a limited pool of users such as smaller-scale operations occupying space under a multi-tenant leasing arrangement. Undeveloped industrial land provides design flexibility and is preferred for new construction. To the degree possible, consolidation of adjacent properties may be considered to provide an industrial/business park setting conducive to new manufacturing, warehousing, or flex development.

3.2.3 Retail Development

Retail properties are used to sell or distribute goods and services to the general public. Practically speaking, this development category includes shopping centers, standalone stores, personal service providers, fuel and automotive sales, and traditional storefront properties.



As shown in Figure 3.4, the Amsterdam market features three primary clusters of retail properties. The first is located in the City of Amsterdam, along and in close proximity to the Main Street corridor through the Downtown area and eastward into the East End BOA study area - as well as northward along the Market Street/Route 30 corridor and in the vicinity of the Five Corners intersection on Church Street/Route 67. These urban retail properties generally consist of small-scale convenience-oriented retail, food & beverage establishments, and other service providers with many located in

retail/residential structures. Some of these urban retail buildings are in deteriorating condition, and many appear vacant.

The second and more prominent retail cluster is located along the NYS Route 30 corridor, extending north from the City of Amsterdam boundary. Development in this area is characterized by modern, automobile-oriented retail formats including community-scale shopping centers with major anchor tenants, smaller neighborhood-scale and strip shopping centers, and standalone retailers. Supermarkets located along the NYS Route 30 corridor include Hannaford, Market 32, Aldi, and Save-A-Lot. Prominent national retailers include the Target and Walmart Supercenter general merchandise stores, Home Depot, Lowe's, Tractor Supply, Kohl's, and a number of other chain retail and dining establishments.

Existing Inventory and Conditions

Retail Development Market Inventory – Existing Conditions		Table 3.5
	East End BOA	Amsterdam Market Area
# Properties	31	274
Total Square Footage	245,000	3.3 million
Average Square Footage	8,000 sq ft	12,000 sq ft
Median Building Age	69 years	59 years
Typical Parcel Size	0.15-0.5 acres	0.25-10 acres

Source: CoStar Inc.; C&S Companies

There are 274 retail properties listed in the Amsterdam market, totaling 3.3 million square feet of floor space. These retail properties vary widely in size and age. While the majority are relatively old and located on parcels smaller than one acre, retail properties built from the 1990s onward tend to be much larger with an average parcel size in the five to 10 acre range.

Real estate data identify 31 retail properties in the East End BOA study area. These retail properties total 245,000 square feet of floor space, with an average of approximately 8,000 square feet. Parcel sizes are quite small, generally less than 0.5 acre. East End BOA retail properties are located along and in close proximity to the East Main Street corridor. Many of these retail properties appear to be old storefronts in retail-residential structures that now stand vacant or underutilized. Some of the more prominent East End retailers include Dollar General, Stewart's Shop, and Rent-A-Center and Riverfront Hardware (both located in the Riverfront Center). Notably, the East End BOA study area and surrounding urban neighborhoods lack a true supermarket offering fresh foods, and generally possess a limited variety of retail establishments to meet the everyday needs of neighborhood residents.

Table 3.6 summarizes key retail market metrics for the Amsterdam market area.

Retail Development Key Market Metrics – Amsterdam Market Area		Table 3.6
Average annual deliveries	30,000 sq ft	
Average annual absorption	24,000 sq ft	
Current Vacancy	3.9%	
Vacancy Trend	Stabilized	

Source: CoStar Inc.; C&S Companies

Over the 2008-2019 timeframe for which data are available, multiple construction phases of the Amsterdam Commons shopping center along NYS Route 30, which includes Target and Kohl's among its anchors, represent the most significant retail development to occur in the Amsterdam market area. On average, approximately 30,000 square feet of retail space were delivered annually over this timeframe – this is slightly higher than the 24,000 square-foot average annual absorption, suggesting that some retail properties in the market have been vacated or removed over this period.

A 33,000 square-foot project located in the Town Square shopping center along NYS Route 30 is the only retail project currently identified as proposed or under construction.

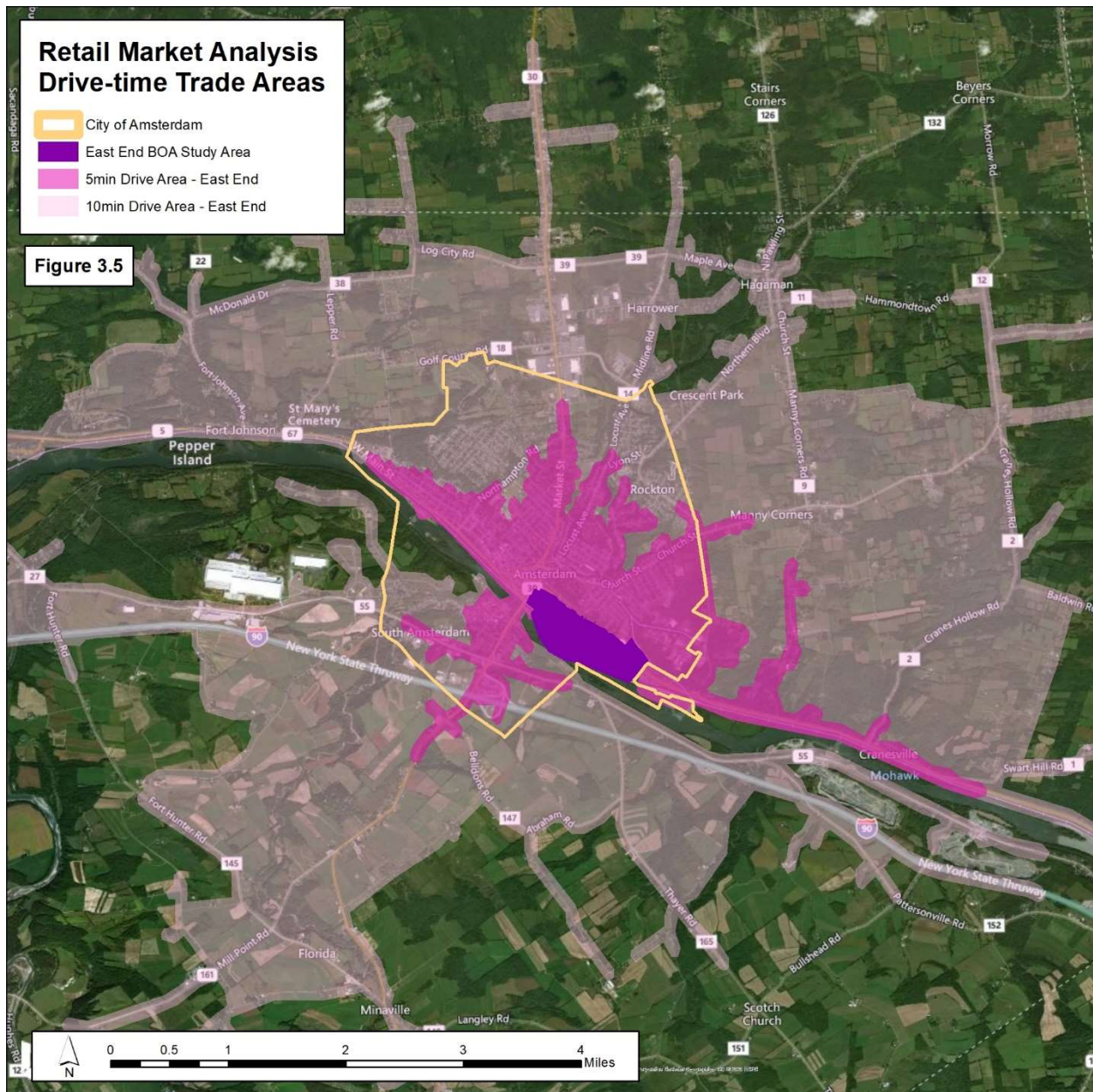
The reported retail vacancy rate is currently 3.9% in the Amsterdam market area, and has remained relatively stable over the past few years. This rate likely under-represents overall vacancy in the market area because the real estate data used for this analysis may exclude occupancy information for some small independent storefront properties, which are abundant in urban portions of the Amsterdam market area with observed vacancies.

In summary, the market's modern retail inventory including its shopping centers have low recorded vacancy rates while ground-level observations suggest that relatively high vacancy rates exist among the retail properties in City of Amsterdam neighborhoods.

Retail Market Analysis

A retail market analysis⁴ was conducted to characterize retail market demand and supply conditions for 5- and 10-minute drive-time trade areas originating from a central location in the East End BOA study area. Figure 3.5 shows these trade area locations. The 5-minute trade area covers much of the City of Amsterdam and extends beyond the city boundary along primary roads, while the 10-minute trade area encompasses the entire city and outlying areas both north and south of the Mohawk River. Notably, the 10-minute trade area includes the major retail district along NYS Route 30 north of the city whereas the 5-minute trade area does not.

⁴ Retail Market Analysis based on information from CoStar Group, ESRI and C&S Companies.



Retail categories that would draw primarily from a 5-minute drive time trade area in densely populated areas like the City of Amsterdam may include food or grocery stores, convenience stores, gasoline/service stations, food & beverage establishments, and personal services. Shopping centers drawing from an approximately 5-minute drive-time area generally include strip-style shopping centers housing multiple small retail establishments with no featured large-scale anchor retailer.

Retail categories that would draw primarily from a 10-minute drive time trade area include those listed above, as well as potentially larger retail establishments such as supermarkets, health & personal care stores (pharmacy/drug stores), discount and some specialty retailers (home improvement, furnishings, sporting goods, etc.). Shopping centers drawing from this scale of trade area include neighborhood centers, which typically include a supermarket as an anchor tenant along with an assortment of other retail establishments.

Table 3.7 provides summary demographic and consumer spending information for the 5 and 10-minute drive time retail trade areas. See Attachment A for a detailed presentation of demographic and consumer spending information for these areas.

Retail Development		Table 3.7
Marketplace Socioeconomic Characteristics – Existing Conditions		
Demographic & Consumer Characteristics (2019)	5 Minute Drive Time Retail Trade Area	10 Minute Drive Time Retail Trade Area
Population	13,338	22,705
Households	5,580	9,471
Median Disposable Household Income*	\$30,800	\$36,800
Per Capita Income	\$22,700	\$25,900
Market Potential - Total Retail Trade**	\$131.5 million	\$254.6 million
Market Potential - Food & Drink***	\$13.0 million	\$25.3 million
Market Potential – Combined Total	\$144.6 million	\$280.0 million
* Defined as after-tax median household income ** Total annual spending by trade area population on retail goods and services across all retail categories (excluding food and drink) *** Total annual spending by trade area population on food & drink service at restaurant, bar, and similar establishments		

Source: ESRI BAO; C&S Companies

Approximately 13,300 residents live within the East End 5-minute drive time trade area, and approximately 22,700 residents live within the 10 minute drive time trade area. Disposable household income and per capita income are significantly higher in the 10-minute trade area, reflecting a tendency for higher-income residents to live in suburban or rural settings in the Amsterdam market. Total market potential – or the annual retail spending capacity of residents – is \$144.6 million for the 5-minute trade area and \$280 million for the 10-minute trade area.

Retail Gap Analysis

A retail gap analysis was conducted for the East End 5 and 10 minute drive-time retail trade areas. This analysis compares the resident population’s spending potential and tendencies against existing retail sales, across various retail categories located within the trade areas.

A positive retail gap indicates that trade area residents spend more on retail goods than retail establishments supply within the trade area – meaning that (on net) the positive gap occurs as residents living within the trade area travel out of the trade area to shop. This is also known as a “retail deficit”.

Conversely, a negative retail gap indicates that retail establishments supply goods and services at a level that exceeds the spending potential of trade area residents – meaning that (on net) the negative gap occurs as retail establishments “import” customers who live outside the trade area but travel into the trade area to purchase goods and services. This is also known as a “retail surplus”.

A sizable, positive gap value for a given retail category *may* suggest that an opportunity exists to introduce additional retail supply within a trade area. Most retail developers independently employ analyses covering an array of market, competitive, and geographic considerations specific to their business model when selecting a site for retail development. The interpretation of this retail gap analysis should be limited to observations of demand and supply interactions, and positive retail gap values do not necessarily indicate that opportunity exists for new market entry.

Table 3.8 provides results of the East End BOA retail gap analysis. Positive retail gap values are shaded **green**, and negative retail gap values are shaded **red**. Retail Market Profile reports providing the complete set of retail gap analysis outcomes are included in Attachment A.

Retail Development Gap Analysis – Summary Results		Table 3.8
Retail Category	5 Minute Drive Time Retail Trade Area (\$ Millions)	10 Minute Drive Time Retail Trade Area (\$ Millions)
Motor Vehicle & Parts Dealers	\$23.8	\$8.5
Furniture & Home Furnishings Stores	\$4.4	\$7.5
Electronics & Appliance Stores	\$3.1	\$3.8
Building Materials, Garden & Supply Stores	-\$11.0	-\$37.0
Grocery Stores	\$15.8	-\$53.2
Health & Personal Care Stores	\$1.3	-\$2.4
Gasoline Stations	-\$13.3	-\$9.6
Clothing & Accessories Stores	\$7.7	\$9.4
Sporting Goods, Hobby, Book, Music Stores	\$2.9	-\$15.4
General Merchandise Stores	\$11.3	-\$83.2
Miscellaneous Store Retailers	\$1.2	-\$5.9
Food Service & Drinking Places	\$6.0	\$2.3
Total Retail Gap – All Retail Trade and Food & Drink	\$58.7	-\$166.6

Source: ESRI BAO; C&S Companies

The retail gap analysis highlights stark differences in conditions between the 5 and 10-minute drive-time trade areas.

5-Minute Drive-Time Retail Trade Area

The 5-minute drive-time retail trade area, which primarily includes locations within the City of Amsterdam, presents positive gap (retail deficit) values across a broad range of retail categories. The total retail gap including all retail trade and food & drink is more than \$58 million for this trade area. Motor vehicle, grocery, general merchandise, and clothing & accessory retailers hold the largest retail deficit values among retail categories in the trade area, and this is significant because most of these retail categories (i.e. grocery, general merchandise, clothing & accessories) play important roles in meeting the everyday consumer needs of residents. Food service & drinking places also holds a relatively large positive gap value. Building materials stores and gasoline stations hold sizable negative gap (retail surplus) values.

These results illustrate a dynamic in which residents of the East End BOA study area and other city neighborhoods travel beyond the immediate neighborhood area to purchase essential goods and services.

10-Minute Drive-Time Retail Trade Area

The NYS Route 30 retail cluster is a dominant market presence in the 10-minute drive-time retail trade area. This retail district includes multiple community-scale shopping centers and draws customers from a regional trade area, leading to sizable negative gap (retail surplus) values totaling more than -\$166 million for the 10-minute trade area. Grocery, general merchandise, and building materials stores present especially large surplus values. National and large regional-brand retailers including (but not limited to) Hannaford, Market 32, Walmart Supercenter, Target, Home Depot and Lowe's serve customers from the Amsterdam market area and beyond, posting heavy sales volumes that contribute to the observed retail surplus.

The motor vehicle, furniture & home furnishings, and clothing & accessories retail categories have reasonably large positive (retail deficit) values.

Residents of the East End BOA study area and other city neighborhoods, as well as from the broader Amsterdam market area and beyond, rely on the large-scale retail establishments north of the city to meet many of their consumer needs.

Retail Gap Analysis – Application to East End BOA

The retail gap analysis illustrates a market dynamic in which grocery, general merchandise and other key retail services are not widely available to East End and other city residents within or near the neighborhoods in which they live. While these retail services are available in the broader trade area, residents must travel to gain access to many everyday goods and services.

Many residents of the East End and other city neighborhoods face circumstances such as low incomes and poverty, and may lack access to personal transportation. The absence of important retail goods and services at the neighborhood level can present a significant challenge to many households. Stakeholders have expressed concern about the limited supply of retail available in the East End and other Amsterdam neighborhoods, and in particular the absence of a grocery store offering a variety of nutritional options including produce and fresh foods.

Observations & Takeaways

- The retail gap analysis suggests that residents living within the 5-minute drive-time trade area travel beyond this trade area to purchase retail goods, but the extended 10-minute drive-time trade area exhibits a retail surplus meaning that residents of the broader region are drawn to shop in this area – particularly the retail district along NYS Route 30 north of the City of Amsterdam.
- Major national and regional brands have established the NYS Route 30 corridor as a center of gravity for retail, and this district dominates the market for most retail categories.
- Personal income and disposable spending levels in the East End BOA study area and vicinity are low.

- The Mohawk River and large swaths of industrial land in the vicinity of the East End BOA serve to moderate population density and limit retail market potential in the trade area.
- Traffic counts of approximately 10,000 vehicle trips per day along East Main Street are in the low, marginally acceptable range for convenience-oriented retailers that depend on passerby traffic to support sales.
- In the East End BOA, East Main Street properties – and corner properties in particular – offer the best potential as retail sites due to their centrality and accessibility.
- Grocery, general merchandise, or small strip-style retail centers may be possible in East End locations, depending on an individual developer's or operator's criteria.
- Typical site requirements are approximately in the 1-1.5 acre range to support development on a scale of 10,000-15,000 square feet.
- In the near term, new large-scale and major chain retail is likely to develop north of the city.
- Market conditions may be appropriate for discount-oriented retailers in the East End and vicinity, scaled to serve the residents of surrounding neighborhoods.

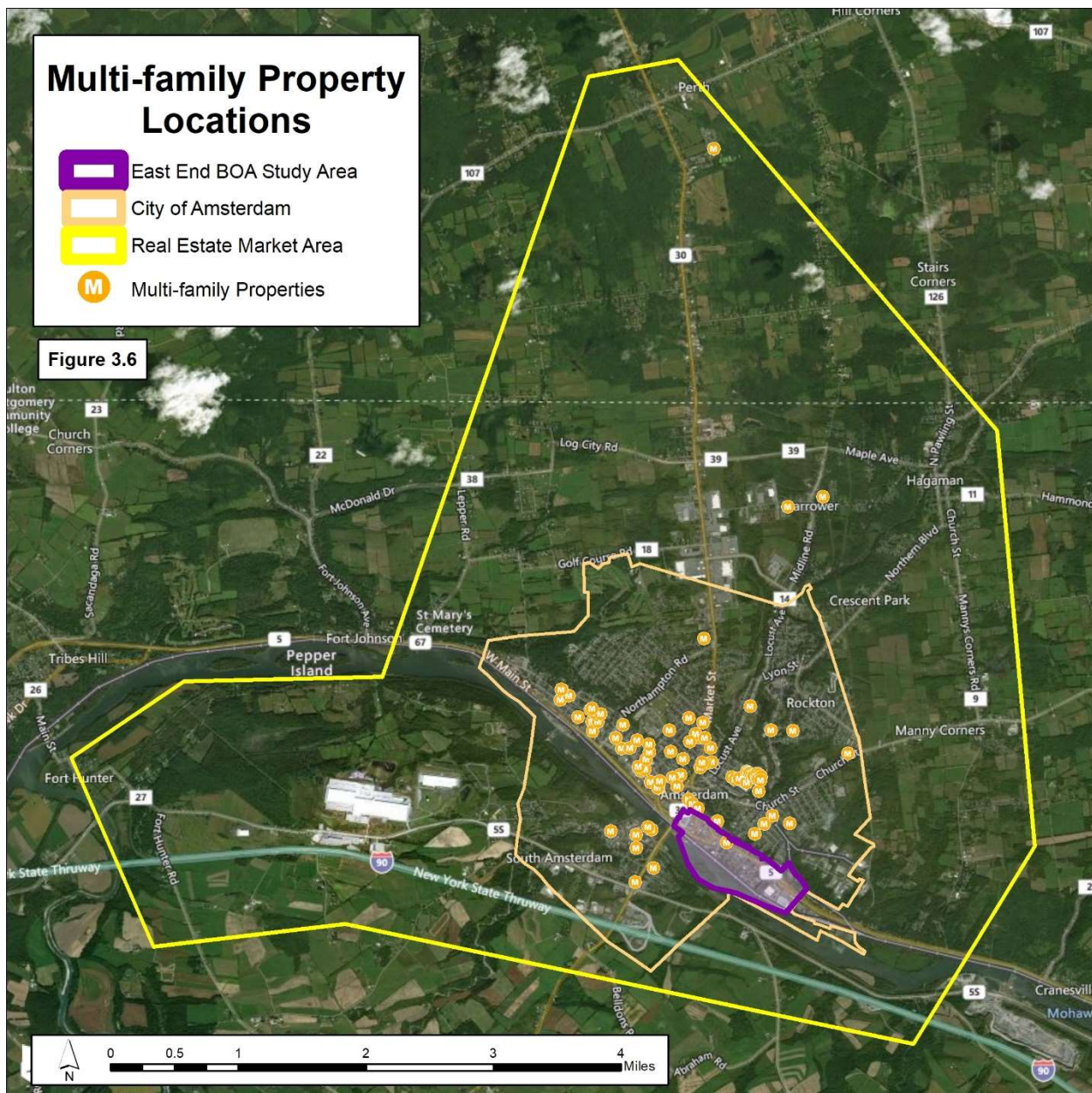
Conclusion – Retail Development

The East End BOA and surrounding neighborhoods lack immediate access to a variety of retail goods and services including grocery stores, general merchandise, and other retail categories. Large-scale retail development is concentrated along the NYS Route 30 corridor north of the City of Amsterdam, and this retail districts serves a regional population. Possible retail opportunities may exist for limited-scale, discount-oriented grocery and other retail along the Main Street corridor within the East End BOA study area.

3.2.4 Multi-Family Residential Development

Multi-family residential properties include structures with four or more housing units. Formats include rental (apartment) and condominium (ownership) units. Multi-family residential properties may or may not include common spaces and facilities such as a lobby, elevators, communal grounds, etc.

In the Amsterdam market, multi-family residential properties include four-or-more-unit residential conversions, low-rise and mid-rise multi-story apartment buildings. With a few exceptions, most multi-family housing is located within the City of Amsterdam and concentrated in the Downtown area and surrounding neighborhoods (Figure 3.6).



Existing Inventory and Conditions

Parcel data provided by Montgomery County indicate that 15 multi-family apartment properties are located in the East End BOA study area, whereas real estate industry data list only one multi-family property in the study area. This discrepancy is caused by an under-reporting of small apartment buildings (such as four-unit residential conversions) under private ownership by individuals or small companies, which in many cases are not listed by data services.

Because only one record is available for the East End BOA study area, Table 3.10 provides multi-family residential property inventory values for the Amsterdam market area only, based on third-party real estate data. It is acknowledged that these values likely exclude a number of small multi-family rental

properties. However, real estate data include listings for all larger-scale apartment properties in the market and this information is relevant to the BOA market analysis.

Multi-family Residential Development Market Inventory – Existing Conditions		Table 3.10
	Amsterdam Market Area	
# Properties	85	
Total Units	1,162	
Average Units/Property	14	
Average Square Feet/Unit	843	
Average Number of Stories	2 – 3 stories	
Median Building Age	100 years	

Source: CoStar Inc.; C&S Companies

There are 85 multi-family residential properties listed for the Amsterdam market area, totaling more than 1,100 units. Most of these multi-family residential properties are relatively small – only 11 properties have more than ten units, and three have more than 100 units. The overall average is approximately 14 units at 843 square feet per unit. Many multi-family properties in the market are large, old residential structures that have been converted to hold four or more units, leading to a median age of 100 years among listed properties. The quality of these units is not indicated in this data. Parcel sizes and acreage/unit values vary widely based on factors including number of units and number of stories for a given property.

Table 3.4 summarizes key market metrics related to deliveries and absorption for the Amsterdam market area.

Multi-family Residential Key Market Metrics – Amsterdam Market Area		Table 3.11
Average annual deliveries	4.5 units	
Average annual absorption	7 units	
Current Vacancy	5.1%	
Vacancy Trend	▼ Decreasing	
Effective Rent/Unit	\$744	
Effective Rent/Square Foot	\$0.95	
Rent Trend	▲ Increasing	

Source: CoStar Inc.; C&S Companies

Over the 11-year timeframe from 2009-2019, there was only one multi-family residential delivery of 50 units (in 2010). On average, 4.5 units were delivered annually over this timeframe and average annual absorption was 7 units per year. Vacancy in multi-family properties stands at approximately 5 percent and has steadily declined over the past several years. Average rents have increased slightly in recent years to \$744/unit and \$0.95/square foot.

Two multi-family apartment projects have been proposed recently in the Amsterdam market.

- Chalmers Hill Lofts is a 120-unit, 3.3 acre mixed-income development proposed along the southern Mohawk River waterfront in the City of Amsterdam. The project was unable to secure approval of a purchase option on the property from the Common Council, however the

development partnership purchased the property in late 2019 with the intent to continue exploring project feasibility and a path forward with key stakeholders. Further plans, timelines or intentions are unknown.

- A 60-unit, three-story housing complex has been proposed in the heart of the East End BOA study area at 251 East Main Street. The project is being developed by DePaul Properties, and will include a mix of 1 and 2-bedroom affordable housing units including many designed for handicap accessibility. One-bedroom unit rents will be set at \$750/month and two-bedroom unit rents will be \$900/month.

Development of multi-family housing has been trending upward in recent years, on the national level as well as across Upstate New York. Given the extended period of time between the most recent apartment development in 2010 and two recent proposals, along with increasing rents and decreasing vacancies in multi-family properties, it appears that demand has been recognized in the Amsterdam market.

Multi-family Residential Market Analysis

Multi-family housing demand is primarily driven by growth in population and is positively associated with household incomes and employment opportunities within an area. Other factors may also contribute to the demand for multi-family housing development - these factors include the age, quality and volume of available housing stock, and replacement need, as well as population shifts such as an aging population that requires different housing design features and amenities over time.

A market analysis was conducted to characterize multifamily residential market demand and supply conditions as it pertains to the East End BOA study area. The analysis generally considers key trends and demographic and socioeconomic characteristics of the study area, the Market Area, and the Mohawk Valley economic development region, where pertinent, and other areas as relevant. Employment trends for Montgomery County were also examined.

Table 3.12 presents key demographic and income characteristics related to the resident population in the study and market areas and region.

Multi-family Residential Key Demographics & Socio-economic Characteristics						Table 3.12
Characteristics	East End		Market Area		Mohawk Valley Region	
	2019	2024	2019	2024	2019	2024
Total population	1,173	1,131	23,833	23,315	442,290	435,187
% change for period		-3.6%		-2.2%		-1.6%
Median Age	31	31	40	41	43	44
Total households	422	406	9,893	9,629	176,453	173,052
% change 2019-2024		-3.8%		-2.7		-1.9%
Average HH size	2.8	2.8	2.4	2.4	2.4	2.4
Median HH income	\$28,800	\$29,900	\$46,300	\$51,225	\$52,750	\$56,700
Avg annual % change		0.8%		2.0%		1.4%
Owner occupied units	51.1%	49.3%	46.3%	44.8%	54%	52.5%
% change 2019-2024		-6.1%		-2.6%		-2.1%
Renter occupied units	19.4%	18.1%	37.0%	35.8%	27.2%	26.6%
% change 2019-2024		-2.9%		-2.6%		-1.6%
Vacant units	29.5%	32.7%	16.6%	19.4%	18.8%	20.9%
% change 2019-2024		11.6%		17.7%		11.9%
Unemployment rate	8.2%		3.9%		3.2%	

Source: ESRI BAO; C&S Companies

For all three areas examined, the overall population and number of households is expected to further decline during the coming five-year period. Notably, the East End study area is characterized by the most significant population decline overall, lowest rate of income growth, smallest share of rental-occupied housing, greatest number of vacant housing units, and highest unemployment rate.

The Study Area has the lowest rate of renter-occupied units across areas while the Market Area exhibits the highest share of rental occupancy. However, population decline has a cascading effect on residential unit occupancy, effectively reducing the share of both owner- and renter-occupied units overall while increasing vacant units in all areas observed. Accordingly, homeownership is expected to decrease at either the same or faster rate than renter occupancy over the near-term, with the most notable decline in the study area.

This analysis also examined age cohort characteristics for the same three areas to better understand if and where potential housing need may exist at the trends level.

Multi-family Residential Population Age Distribution					Table 3.13	
Characteristics	East End		Market Area		Mohawk Valley Region	
	2019	2024	2019	2024	2019	2024
Under age 25	41.4%	42.4%	29.5%	29.6%	28.2%	27.5%
% change 2019-2024		-1.3%		-1.8%		-4.0%
Age 25-44	26.7%	26.6%	25.4%	25.4%	24.0%	24.2%
% change 2019-2024		-3.9%		-2.2%		-0.8%
Age 44-64	20.1%	19.6%	25.0%	23.3%	27.6%	25.8%
% change 2019-2024		-6.0%		-8.8%		-8.0%
Over age 65	11.6%	11.4%	20.1%	21.7%	20.2%	22.6%
% change 2019-2024		-5.2		5.6%		10.1%

Source: ESRI BAO; C&S Companies

The overall decline in population is generally observed across age cohorts in each geographic area examined, but it is especially notable in the 44-64 age category which far outpace other segments. The Study Area is expected to see a notable decline in the oldest age segment as well; outside of the study area however, the 65+ age cohort is anticipated to expand. This cohort growth is indicative of a continued “graying” of the population observed at the regional level. This shift in population distribution within the Market Area may suggest a need for additional senior housing units in the market to meet growing demand as residents move from homeownership to rental status and have changing physical needs requiring specific housing design elements and age-responsive amenities.

Employment

A high-level analysis of projected non-farm employment and average earnings by sector for Montgomery County was conducted to understand anticipated changes in employment from 2019 – 2024. Table 3.14 presents the results of this analysis by North American Industrial Classification Sector (NAICS). Positive employment growth values are shaded green, and negative values are shaded red. Average earnings projected for 2024 are also provided by sector.

Multi-family Residential Development		Table 3.14
Employment Change and Earnings by Sector – Montgomery County		
NAICS Sector	% Change 2019-2024	Average Earnings (2024)*
Mining	1.4%	\$52,600
Utilities	8.3%	\$78,200
Construction	2.2%	\$40,400
Manufacturing	-3.0%	\$52,600
Wholesale Trade	0.8%	\$61,500
Retail Trade	1.4%	\$30,500
Transportation and Warehousing	12.0%	\$52,000
Information	-0.4%	\$45,900
Finance and Insurance	3.5%	\$32,300
Real Estate, Rental and Lease	0.8%	\$10,100
Professional and Technical Services	-0.2%	\$31,800
Management of Companies and Enterprises	-2.0%	\$69,000
Administrative and Waste Services	-0.5%	\$29,900
Educational Services	-2.1%	\$19,700
Health Care and Social Assistance	9.7%	\$50,100
Arts, Entertainment and Recreation	0.7%	\$9,300
Accommodation and Food Service	1.5%	\$16,000
Other Services, except Public Administration	1.6%	\$34,500
Public Administration	0.4%	\$75,700
Total for Non-Farm Sectors	3.3%	\$45,475

Source: Woods and Poole Economics (*projected for year 2024, 2012 dollars); C&S Companies

Total Montgomery County employment is projected to increase by 3.3% across sectors for the five-year period with a majority of employment sectors projected to grow at a very modest pace. The largest increase occurs in the transportation and warehousing sector at 12% anticipated growth during the five-year period, followed by healthcare and social assistance at 9.7% and utilities at just over 8% for the same period. These same three sectors also experience higher earnings per employee when compared to the overall average for the County. The most notable declines during the five-year period are projected to occur in the sectors of manufacturing, educational services, and management of companies.

Regional Multifamily Development Trends

An analysis of multifamily development projects constructed and opened within the last 5 years and looking forward was also conducted to identify regional market trends. These trends were examined in order to understand conditions at a broader market level and how they may inform development

characteristics and expectations for potential development within the Amsterdam Market Area in the future.

The inventory for this trends analysis included existing garden/low-rise (1-3 stories) and mid-rise (4-14 stories) multi-family projects built since 2015, as well as those types currently under construction or proposed. Properties with incomplete key data, such as land area, were excluded from this analysis, as was high-rise product (15 stories and higher). Subject properties were drawn from a defined area along the NY Thruway corridor between Oneida to the west and Schenectady to the east, and north to Saratoga Springs.

This comparative inventory included 30 projects in total with the following characteristics:

- 28 market-rate housing properties:
 - Multi-family style: 22 garden/low-rise, 6 mid-rise
 - Market segment: 23 all-ages, 5 senior
 - Status: 20 existing, 5 under construction, 3 proposed
 - Average number of units: 108 units
 - Average stories: 3
 - Average land area: 10 acres
 - Average land/unit: 0.11 acres
- Two affordable housing properties:
 - Multi-family style: 2 garden/low-rise
 - Market segment: 1 all-ages, 1 senior
 - Status: 1 existing, 1 proposed
 - Average number of units: 49 units
 - Average stories: 2
 - Average land area: 1.7 acres
 - Average land/unit: 0.04 acres

Twenty-eight multi-family projects are included in the inventory, while only two affordable housing properties were developed over the same five-year timeframe. Senior housing represents five of the 28 market-rate properties. At more than 100 units and 10 acres on average, a typical market-rate property is larger than the affordable housing properties which average approximately 50 units and 1.7 acres.

Observations & Takeaways

- While further population decline within the Amsterdam area is expected over the coming period, overall employment growth is also projected for Montgomery County, which taken with the low unemployment rate in the Market Area and Region, may intensify challenges in finding skilled labor force as well as present opportunity to attract workforce to the area by creating housing options closer to expanding employment centers.
- Newer multi-family housing stock is limited in the Amsterdam market given the last known multifamily development was delivered in 2010 and the average building age is 100 years.
- It appears that many professionals employed within the Amsterdam market area may live in other communities in part due to a perceived limited volume of quality market-rate housing.
- Multiple stakeholders suggested that the limited availability of quality market rate rental housing may present a challenge for housing younger, professional, and non-family households

as well as older residents. Stakeholders also noted an interest by residents in mixed-use development with walkable access to amenities often associated with that environment (parks, food & drink, etc.).

- In addition to local dynamics, macro-level economic and cultural factors have increased the need for rental housing, both in urban and rural areas alike, in the last decade. Such factors include the foreclosure crisis that shifted some households from homeowner to renter (permanently in some cases), the delay in household formations and home purchase by younger population segments, as well as the preference for walkability and live-work-play environments by both young professionals and older or retiring higher income families alike.
- Much of the existing housing stock in the Amsterdam market is aging, with many properties in deteriorating condition. Potential demand would appear to be driven primarily by a need for improved housing quality and specialized needs (i.e. senior or affordable) rather than an overall shortage of housing supply – as evidenced by increasing vacancy rates.
- Recent housing proposals include the 60-unit housing project to be located in the East End BOA study area, and the 120-unit waterfront development south of the Mohawk River (status uncertain at this time). Given the Amsterdam community's limited growth, the status and success of these projects may be observed to gain insights about the market's potential to support additional multi-family residential development. For example, if new properties are fully leased within a short timeframe, additional demand for similar product may be present in the market. Unit size and price points (affordable vs. market-rate) may also be monitored for information about the housing formats and rents potentially supported in this market.
- The current East End building stock may offer some opportunities for investment in the rehabilitation of existing structures for mixed-use or residential units.
 - Opportunities for adaptive reuse are likely limited to buildings with unique or exceptional features that would warrant investment.
 - Building scale, structural, environmental, financial, and other challenges may exist for adaptive reuse.
 - Former industrial facilities have supported successful housing projects elsewhere in the region and Upstate NY. However the size and condition of large former manufacturing structures in the East End BOA and elsewhere in Amsterdam may constrain their feasibility for housing reuse and would have to be evaluated in detail before a determination could be made about their potential to support housing.
- Improved connections to the Downtown area (potentially resulting from DRI) could support walkable access to Main Street amenities in a manner favorable for market-rate housing in the western part of the study area.
- Unmet needs appear to exist for modern, quality affordable and senior housing in the East End and elsewhere in the market.
- For new projects, general guidelines for possible multi-family housing development in the East End BOA study area or elsewhere in the Amsterdam market include:
 - Property size two acres or more
 - 2-4 stories
 - 50-120 units, mix of sizes
 - Affordable component and/or senior housing needs present in the community

Conclusion – Multi-family Residential Development

The market setting for multi-family residential development is somewhat complex. The Amsterdam market's population is gradually declining, but county-level employment is expected to increase in some key industry sectors. A sufficient volume of housing stock is available to support the population, but the age and quality of many properties fall short of ideal conditions. Stakeholder feedback, as well as two recent multi-family development proposals in the market, suggest that demand exists for new, quality apartment housing in the Amsterdam market. Affordable and senior housing needs are likely present in the community, as well as market-rate housing. Given the market size and limited growth, the entry of new (currently proposed) housing developments would provide an opportunity to observe and gain insights about the market's potential to support additional multi-family residential development. Within the East End BOA study area, the Main Street corridor and immediately surrounding properties likely present the best setting for multi-family residential development.

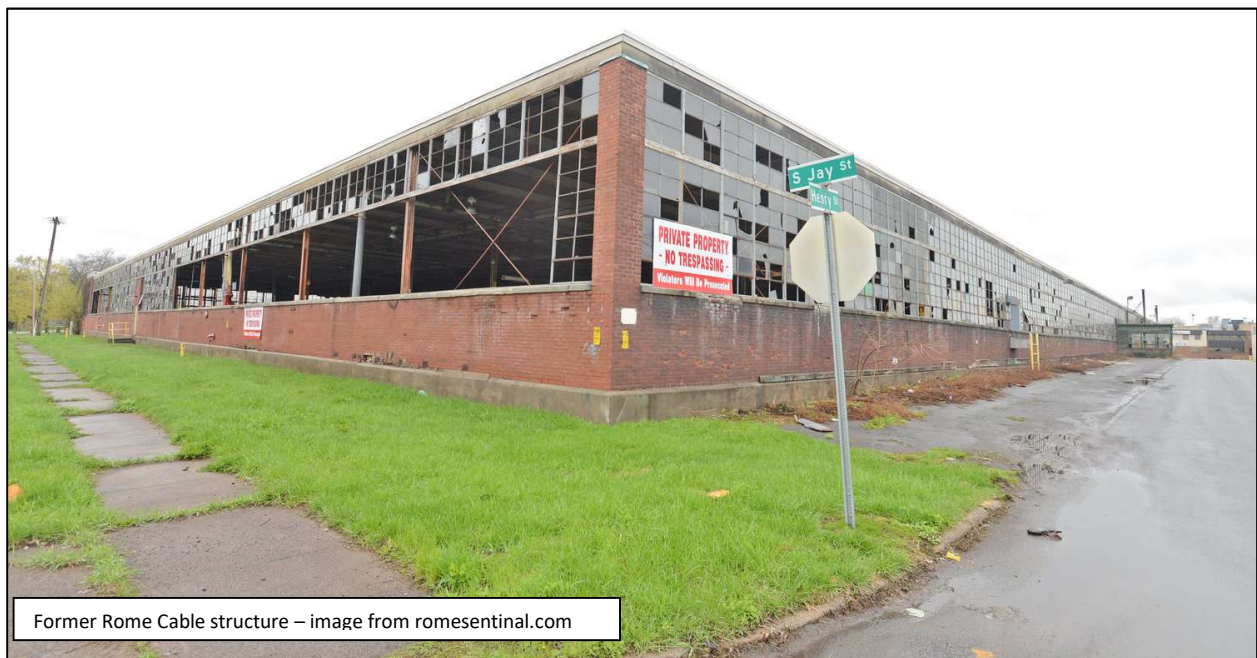
4. Case Studies

The following case studies are provided to illustrate successful redevelopment projects that have occurred recently in locations sharing a similar market context to the East End BOA and broader Amsterdam market area.

4.1 Cold Point Corporation, Rome, New York

The Cold Point Corporation manufactures heat pumps and air conditioning products in Rome, New York and outgrew its facility in a suburban industrial park. In 2018, the company announced plans to construct a new 50,000 square-foot facility at the former Rome Cable site, and began operations at this new location in 2019. The former Rome Cable site has a history of contamination from industrial uses on site, and has been the subject of state and federal brownfield-oriented studies and environmental remediation. Industrial structures located on site were demolished and site cleanup efforts were conducted to enable construction of the new Cold Point facility.

Extensive coordination with the New York State Economic Development Corporation, Oneida County IDA, and Mohawk Valley EDGE helped to make the project possible. An incentive package for the Cold Point facility included PILOT (payment-in-lieu-of-taxes) and Downtown Revitalization Initiative (DRI) funding to address financial gaps. The project will retain or create more than 50 jobs in the City of Rome, and is expected to serve as a catalyst for future redevelopment in the area.





4.2 Your Bargain Grocer, West Utica, New York

A coalition of public agencies including the City of Rome, Oneida County, and NYS agencies including the Department of Transportation and Empire State Development, helped make Your Bargain Grocer's development possible through funding and other assistance. This project has provided access to healthy food options in a neighborhood where many residents face challenges including poverty and limited transportation options, and otherwise may not have access to these important products.



Attachment A

Marketplace Profile Reports – Retail Trade Areas



Retail MarketPlace Profile

East End 5min Drive Area
Area: 4.63 square miles

Prepared by Esri

Summary Demographics

2019 Population	13,338
2019 Households	5,580
2019 Median Disposable Income	\$30,777
2019 Per Capita Income	\$22,687

2017 Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$144,581,162	\$85,845,353	\$58,735,809	25.5	75
Total Retail Trade	44-45	\$131,536,066	\$78,777,625	\$52,758,441	25.1	58
Total Food & Drink	722	\$13,045,095	\$7,067,728	\$5,977,367	29.7	17

2017 Industry Group

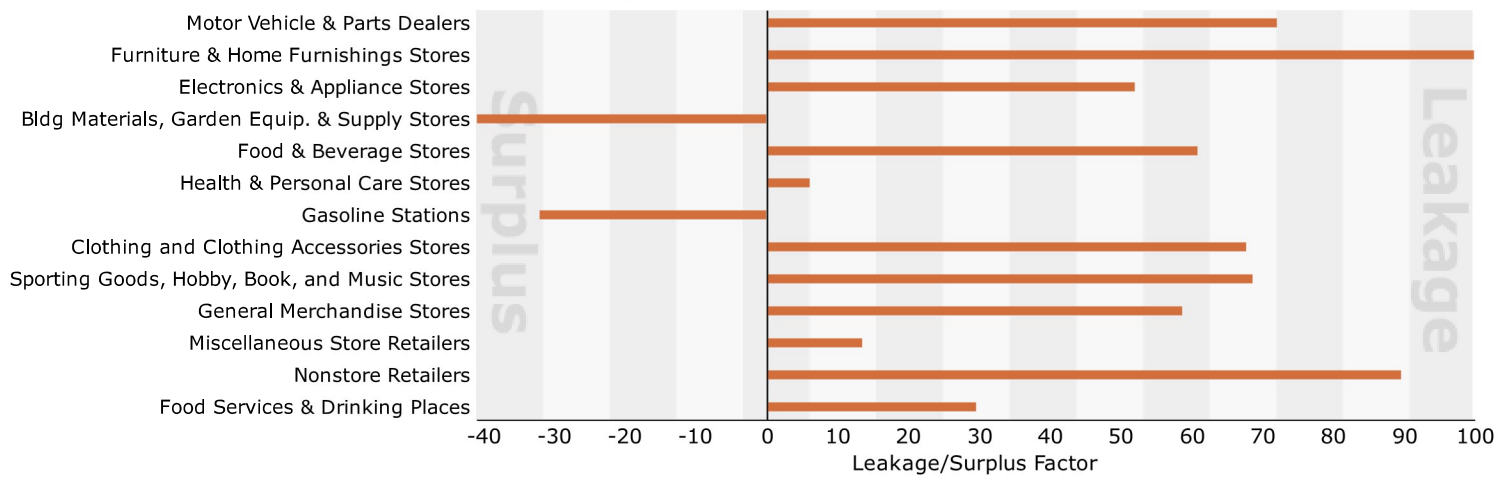
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$28,389,580	\$4,588,482	\$23,801,098	72.2	6
Automobile Dealers	4411	\$24,079,418	\$1,328,224	\$22,751,194	89.5	3
Other Motor Vehicle Dealers	4412	\$2,187,413	\$260,714	\$1,926,699	78.7	1
Auto Parts, Accessories & Tire Stores	4413	\$2,122,749	\$2,999,543	-\$876,794	-17.1	2
Furniture & Home Furnishings Stores	442	\$4,441,849	\$0	\$4,441,849	100.0	0
Furniture Stores	4421	\$2,332,161	\$0	\$2,332,161	100.0	0
Home Furnishings Stores	4422	\$2,109,688	\$0	\$2,109,688	100.0	0
Electronics & Appliance Stores	443	\$4,570,206	\$1,438,386	\$3,131,820	52.1	3
Bldg Materials, Garden Equip. & Supply Stores	444	\$7,932,357	\$18,974,294	-\$11,041,937	-41.0	5
Bldg Material & Supplies Dealers	4441	\$7,203,768	\$18,974,294	-\$11,770,526	-45.0	5
Lawn & Garden Equip & Supply Stores	4442	\$728,590	\$0	\$728,590	100.0	0
Food & Beverage Stores	445	\$23,227,988	\$5,646,466	\$17,581,522	60.9	12
Grocery Stores	4451	\$20,015,478	\$4,236,182	\$15,779,296	65.1	8
Specialty Food Stores	4452	\$1,553,568	\$341,875	\$1,211,693	63.9	2
Beer, Wine & Liquor Stores	4453	\$1,658,941	\$1,068,409	\$590,532	21.7	2
Health & Personal Care Stores	446,4461	\$11,492,353	\$10,156,464	\$1,335,889	6.2	3
Gasoline Stations	447,4471	\$14,132,412	\$27,465,927	-\$13,333,515	-32.1	10
Clothing & Clothing Accessories Stores	448	\$9,550,415	\$1,824,619	\$7,725,796	67.9	3
Clothing Stores	4481	\$6,900,895	\$756,869	\$6,144,026	80.2	2
Shoe Stores	4482	\$1,140,217	\$0	\$1,140,217	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$1,509,303	\$987,629	\$521,674	20.9	1
Sporting Goods, Hobby, Book & Music Stores	451	\$3,587,776	\$665,122	\$2,922,654	68.7	3
Sporting Goods/Hobby/Musical Instr Stores	4511	\$3,002,716	\$433,534	\$2,569,182	74.8	2
Book, Periodical & Music Stores	4512	\$585,060	\$231,588	\$353,472	43.3	1
General Merchandise Stores	452	\$15,298,336	\$3,971,899	\$11,326,437	58.8	2
Department Stores Excluding Leased Depts.	4521	\$9,257,417	\$0	\$9,257,417	100.0	0
Other General Merchandise Stores	4529	\$6,040,919	\$3,971,899	\$2,069,020	20.7	2
Miscellaneous Store Retailers	453	\$5,045,432	\$3,836,825	\$1,208,607	13.6	11
Florists	4531	\$393,444	\$141,383	\$252,061	47.1	2
Office Supplies, Stationery & Gift Stores	4532	\$1,436,596	\$311,013	\$1,125,583	64.4	2
Used Merchandise Stores	4533	\$584,103	\$0	\$584,103	100.0	0
Other Miscellaneous Store Retailers	4539	\$2,631,290	\$3,384,429	-\$753,139	-12.5	7
Nonstore Retailers	454	\$3,867,362	\$209,142	\$3,658,220	89.7	2
Electronic Shopping & Mail-Order Houses	4541	\$3,174,541	\$0	\$3,174,541	100.0	0
Vending Machine Operators	4542	\$69,558	\$175,752	-\$106,194	-43.3	1
Direct Selling Establishments	4543	\$623,263	\$33,390	\$589,873	89.8	1
Food Services & Drinking Places	722	\$13,045,095	\$7,067,728	\$5,977,367	29.7	17
Special Food Services	7223	\$589,658	\$0	\$589,658	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$691,529	\$401,638	\$289,891	26.5	3
Restaurants/Other Eating Places	7225	\$11,763,909	\$6,666,090	\$5,097,819	27.7	14

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

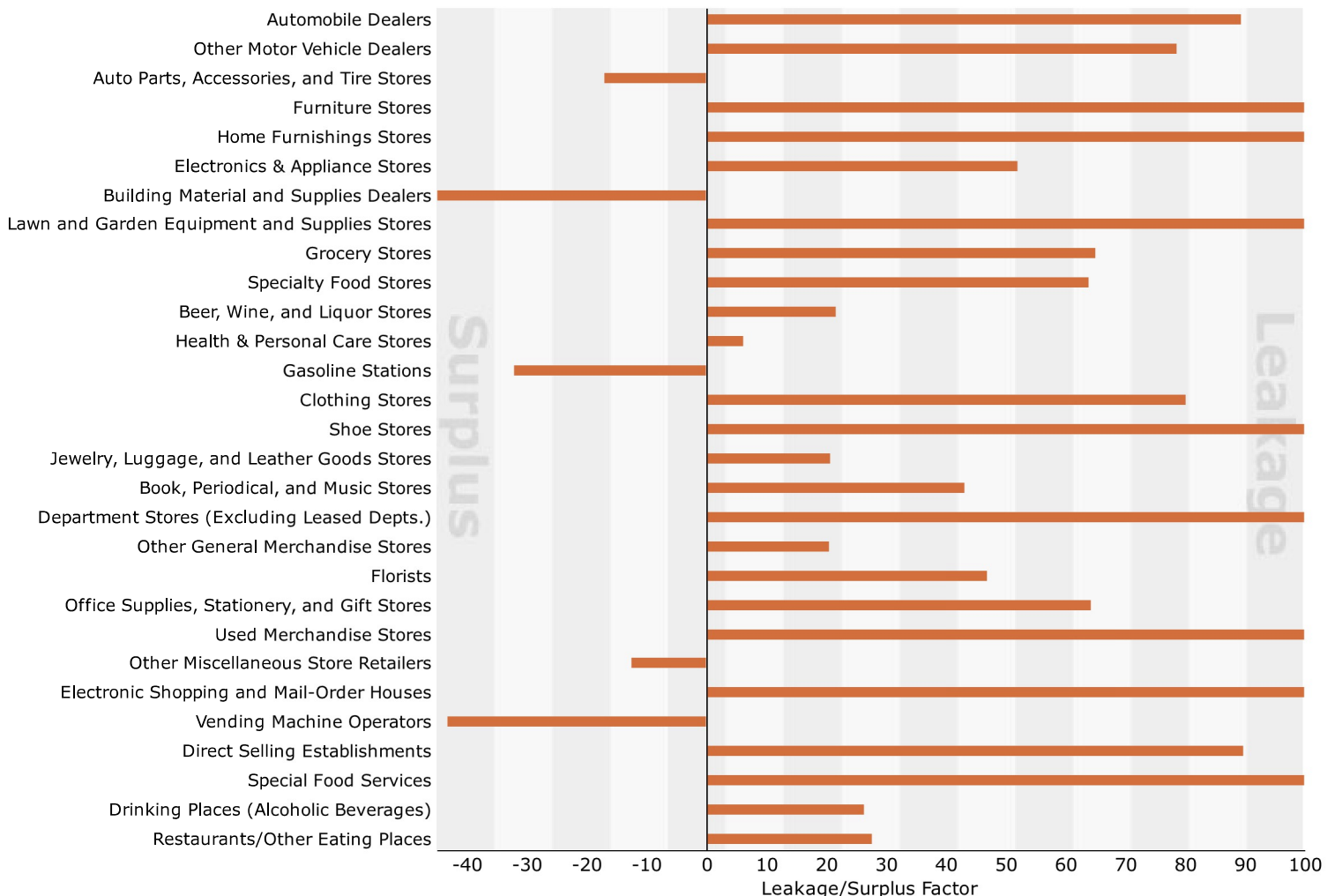
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December 19, 2019

2017 Leakage/Surplus Factor by Industry Subsector



2017 Leakage/Surplus Factor by Industry Group





Retail MarketPlace Profile

East End 10min Drive Area

Area: 37.36 square miles

Prepared by Esri

Summary Demographics

2019 Population	22,705
2019 Households	9,471
2019 Median Disposable Income	\$36,811
2019 Per Capita Income	\$25,879

2017 Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$279,970,047	\$446,533,126	-\$166,563,079	-22.9	193
Total Retail Trade	44-45	\$254,641,853	\$423,544,063	-\$168,902,210	-24.9	147
Total Food & Drink	722	\$25,328,194	\$22,989,063	\$2,339,131	4.8	46

2017 Industry Group

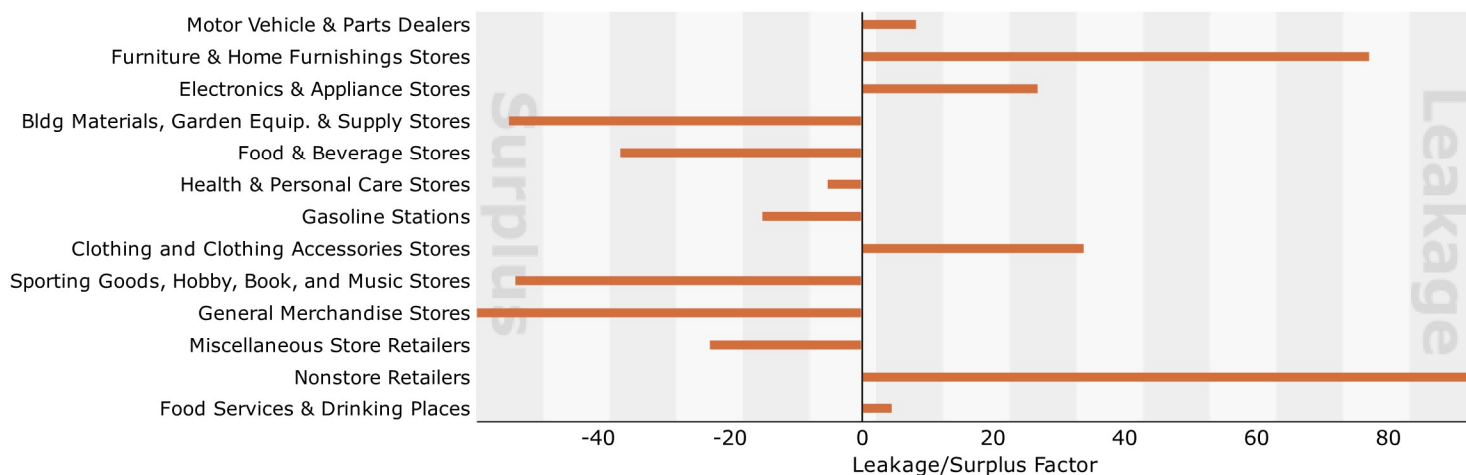
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$54,938,712	\$46,406,470	\$8,532,242	8.4	12
Automobile Dealers	4411	\$46,514,258	\$3,638,518	\$42,875,740	85.5	5
Other Motor Vehicle Dealers	4412	\$4,298,247	\$35,189,712	-\$30,891,465	-78.2	4
Auto Parts, Accessories & Tire Stores	4413	\$4,126,207	\$7,578,240	-\$3,452,033	-29.5	4
Furniture & Home Furnishings Stores	442	\$8,644,468	\$1,107,164	\$7,537,304	77.3	2
Furniture Stores	4421	\$4,472,675	\$564,131	\$3,908,544	77.6	1
Home Furnishings Stores	4422	\$4,171,792	\$543,033	\$3,628,759	77.0	1
Electronics & Appliance Stores	443	\$8,887,874	\$5,106,313	\$3,781,561	27.0	8
Bldg Materials, Garden Equip. & Supply Stores	444	\$15,990,274	\$53,002,895	-\$37,012,621	-53.6	14
Bldg Material & Supplies Dealers	4441	\$14,520,331	\$51,318,489	-\$36,798,158	-55.9	13
Lawn & Garden Equip & Supply Stores	4442	\$1,469,943	\$1,684,405	-\$214,462	-6.8	1
Food & Beverage Stores	445	\$44,541,580	\$96,492,220	-\$51,950,640	-36.8	24
Grocery Stores	4451	\$38,312,496	\$91,543,528	-\$53,231,032	-41.0	13
Specialty Food Stores	4452	\$2,968,170	\$1,989,868	\$978,302	19.7	5
Beer, Wine & Liquor Stores	4453	\$3,260,914	\$2,958,824	\$302,090	4.9	6
Health & Personal Care Stores	446,4461	\$22,328,656	\$24,739,233	-\$2,410,577	-5.1	11
Gasoline Stations	447,4471	\$26,997,661	\$36,638,182	-\$9,640,521	-15.1	15
Clothing & Clothing Accessories Stores	448	\$18,523,716	\$9,115,883	\$9,407,833	34.0	11
Clothing Stores	4481	\$13,326,142	\$5,005,034	\$8,321,108	45.4	6
Shoe Stores	4482	\$2,190,550	\$1,459,103	\$731,447	20.0	3
Jewelry, Luggage & Leather Goods Stores	4483	\$3,007,024	\$2,651,745	\$355,279	6.3	3
Sporting Goods, Hobby, Book & Music Stores	451	\$6,928,875	\$22,340,476	-\$15,411,601	-52.7	10
Sporting Goods/Hobby/Musical Instr Stores	4511	\$5,809,400	\$21,949,671	-\$16,140,271	-58.1	8
Book, Periodical & Music Stores	4512	\$1,119,476	\$390,805	\$728,671	48.2	2
General Merchandise Stores	452	\$29,466,264	\$112,627,572	-\$83,161,308	-58.5	8
Department Stores Excluding Leased Depts.	4521	\$17,860,574	\$102,606,093	-\$84,745,519	-70.3	4
Other General Merchandise Stores	4529	\$11,605,689	\$10,021,479	\$1,584,210	7.3	5
Miscellaneous Store Retailers	453	\$9,807,455	\$15,705,788	-\$5,898,333	-23.1	29
Florists	4531	\$809,585	\$1,961,810	-\$1,152,225	-41.6	8
Office Supplies, Stationery & Gift Stores	4532	\$2,798,485	\$3,891,239	-\$1,092,754	-16.3	8
Used Merchandise Stores	4533	\$1,115,534	\$1,313,747	-\$198,213	-8.2	2
Other Miscellaneous Store Retailers	4539	\$5,083,851	\$8,538,992	-\$3,455,141	-25.4	11
Nonstore Retailers	454	\$7,586,318	\$261,868	\$7,324,450	93.3	2
Electronic Shopping & Mail-Order Houses	4541	\$6,192,239	\$0	\$6,192,239	100.0	0
Vending Machine Operators	4542	\$133,196	\$228,478	-\$95,282	-26.3	1
Direct Selling Establishments	4543	\$1,260,883	\$33,390	\$1,227,493	94.8	1
Food Services & Drinking Places	722	\$25,328,194	\$22,989,063	\$2,339,131	4.8	46
Special Food Services	7223	\$1,150,069	\$0	\$1,150,069	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$1,374,628	\$566,960	\$807,668	41.6	4
Restaurants/Other Eating Places	7225	\$22,803,497	\$22,422,103	\$381,394	0.8	42

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

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December 19, 2019

2017 Leakage/Surplus Factor by Industry Subsector



2017 Leakage/Surplus Factor by Industry Group

